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REPORT OF THE EXTERNAL AUDITOR, FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1994-1995

Report of the External Auditor on the accounts of the United Nations Industrial Development Organization and of the Industrial Development Fund for the fiscal period 1994-1995 ended 31 December 1995*

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LETTER OF TRANSMITTAL

Sir,

I have the honour to present to the Industrial Development Board through the Programme and Budget Committee my report and audit opinion on the financial statements of the United Nations Industrial Development Organization for the financial period 1994-1995 ended 31 December 1995, which incorporate the financial statements of the Industrial Development Fund for the same biennial period.

For information purposes, I enclose also copies of my audit opinion on the statements showing, as at 31 December 1995, the status of funds advanced by the United Nations Development Programme to the United Nations Industrial Development Organization.

Accept Sir, the assurances of my highest consideration.

[*Signed*]
Dr. H. Czasche
President of the Federal Court of Audit
Germany
External Auditor

Enclosures

The President of the
Industrial Development Board
through the Chairperson of the
Programme and Budget Committee
UNIDO
A-1400 Vienna
Austria

I. GENERAL

1. I have audited the accounts of the United Nations Industrial Development Organization (UNIDO) for the financial period 1 January 1994 to 31 December 1995 in accordance with Article XI of the Financial Regulations of the Organization and the "Additional terms of reference governing the audit of the UNIDO" appended thereto.

2. Since the financial statements of the Industrial Development Fund (IDF) for the period 1 January 1994 to 31 December 1995 have been incorporated in the UNIDO financial statements for the fiscal period ended 31 December 1995, the results of the internal audit examination of the accounts of the IDF for the financial period under review have been included in the present report.

3. The financial statements are presented in a new format. In response to a request by the United Nations General Assembly and recommendations by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency, the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) adopted, at its eighty-third session in August 1995, revised accounting standards, including formats for the presentation of financial statements, for the United Nations system and recommended that organizations be encouraged to apply the revised standards to the presentation of their financial statements for periods ending in 1995. I appreciate that the Organization was ready to follow this recommendation and apply the proposed formats at this early stage. In its interim study on the need for the development of accounting standards to be applied in the United Nations system, submitted to the General Assembly in September 1991 (A 46/341), the Panel expressed its view that the consistent application of generally accepted accounting standards would improve the fair presentation of the financial position of the organizations and the results of their operations. This would ensure that readers of the accounts, in particular Member States and potential donors, would be more properly and clearly informed. The general use of such standards would also allow Member States and other users to make meaningful comparisons of the performance of the respective organizations. The new format can be considered a considerable progress in this respect.

4. At first glance one might get the impression that the information given has been reduced. However, it should be noted that the large volume of data provided to Member States before did not necessarily add to understanding. In my opinion the financial statements in the new format provide all relevant information on the financial position of UNIDO as a whole in a condensed form. Experience will show, whether further improvements are desirable. The revised accounting standards provide that normally financial statements should show corresponding figures for the preceding period. Exceptionally, for the first period in which the formats are used, the presentation of comparative data is not obligatory.

5. The audit was carried out by staff of the German Federal Court of Audit at UNIDO Headquarters in Vienna. The examinations were performed in accordance with generally accepted auditing standards, conforming with international standards, and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. Those standards are designed primarily for the purpose of forming an opinion on UNIDO's consolidated financial statements. Consequently, my work did not involve a

detailed review of all aspects of UNIDO's budgetary and financial information system and the results cannot be regarded as a comprehensive statement on them. In addition to my audit of the accounts and financial transactions, I carried out reviews under Financial Regulation 11.4. These reviews primarily concern the economy, efficiency and effectiveness of the financial procedures and internal financial controls and, in general, the administration and management of the Organization.

6. The scope of my audit of the UNIDO accounts and activities during the fiscal period 1994-1995 included the following trust areas: budgetary, accounting and financial reporting procedures, cash management, contracts and purchases, technical cooperation activities, project management cycle, electronic data processing systems, personnel matters including the organizational structure of UNIDO, and the 1995 staff reduction exercise.

7. In line with established audit practice and procedures the findings and conclusions contained in this report have been discussed by the audit team with senior officials of the Organization and their comments and observations have been incorporated in the report where possible and appropriate.

8. On the basis of the contents of the relevant parts of the present report, I shall report separately to the Governing Bodies of the United Nations Development Programme (UNDP) on the results of my audit of the accounts and activities of UNIDO as an executing agency of the UNDP during the financial period 1994-1995. My audit opinion on the statements showing the status of funds advanced to UNIDO by the UNDP and by UNDP-administered trust funds as at 31 December 1995, however, has already been forwarded, as requested, to the latter Organization.

II. SUMMARY OF FINDINGS AND CONCLUSIONS

9. The outstanding balance of regular budget assessed contributions for the biennium 1994-1995 amounts to $73,940,423. One Member State, accounting for 25 per cent of the 1994-1995 scale of assessment, had accumulated 53.7 per cent ($40,087,687) of the total of outstanding assessed contributions. (paras. 42-46)

10. The excess of the balance of appropriations over expenditure plus excess of total income over approved estimates in the amount of $27,053,112 at the end of the biennium 1994-1995 represented 10.1 per cent of the appropriations. Comparing this amount with prior fiscal periods one has to take into account that a considerable amount of assessed contributions was outstanding. Because of the cost reduction programme the Organization had to introduce, the total expenditure could not meet the revised appropriations. (paras. 47-51)

11. Schedule 4.1 shows an overexpenditure of $68,851 under major object of expenditure "Contractual Services". (paras. 52-55)

12. The unliquidated obligations carried forward to the biennium 1996-1997 totalled $20,278,456. $7,454,000 have been raised against 1994-1995 appropriations to bring the separation indemnity reserve to its level established by the General Conference. (paras. 56-60)

13. In the biennium 1994-1995, the Organization continues to disclose commitments in notes instead as deferred charges, although necessary amendments of financial rule 104.3 have not been made. (paras. 61-68)

14. The decrease of liquid cash by $6.7 million mainly resulted from provisions to finance the staff reduction exercise. The estimated amount of about $17 million for that purpose is partly included on the one hand in the unliquidated obligations. On the other hand, the separation of staff members is financed out of the separation indemnity reserve. A negative amount of liquid funds shows that UNIDO was not able to pay the short-term liabilities without making use of the Working Capital Fund. (paras. 70-76)

15. UNIDO's severe liquidity problems are due to the material increase in assessed contributions receivable from Member States. In Management's view, outgoing cash will decrease remarkably in the second half of 1996 because of the reduced staff cost. (para. 77)

16. I appreciate the readiness of Management to undergo efforts to prepare a cash flow statement as recommended by the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ(FB)). (para. 78)

17. At the end of the biennium, net cash from operating activities had sharply declined compared to 1993. At the same time, the excess of income over expenditures increased by about the same amount, because income is considered on an accrual basis of accounting so that the unpaid contributions are included in this amount. Consequently, due to a lack of inflowing contributions, cash flows from investing and financing activities and other sources became more important. (para. 79)

18. However, total cash inflows and outflows are about on the same level as in the prior biennium. Therefore, there is no reason for serious concern about UNIDO's financial structure and solvency—especially when

savings from the reduced staff level will be effective. (para. 80)

19. As at 31 December 1995, the reconciliation of the balances of UNIDO's bank accounts with those of the relevant bank statements was up to date. (paras. 81-83)

20. My staff cross-checked the Voucher and Cheque Register and Treasury's Interoffice Memoranda about cancelled and voided cheques. As a payment made on a fraudulent cheque is not automatically detected, but depends on the timely reconciliation of the bank accounts, they found the applicable procedures insufficient. The lacking overview of the cheques issued constituted a serious weakness of the internal control. The follow-up of this issue revealed that no electronically monitored cheques register has been set up. (paras. 84-86)

21. A three months' forecast for payments for contracts and another one for purchases is submitted once a month to Treasury to facilitate an effective cash management. However, this forecast shows the payments due in the relevant month only. Therefore, the money involved can be held only in current accounts with no or very low interest. Additionally, the forecast neither shows in which currency the payment has to be made nor the exact date of payment. Also, the forecasts are not reliable. (paras. 87-91)

22. While in the general fund investment planning was reasonable with respect to the timely availability of funds, it is doubtful whether short-term investments were favourable enough in the case of the Industrial Development Fund (IDF), trust funds and other cash resources. All investments were time deposits with maturities of no longer than 4 months. These funds would be sufficient to cover more than 21 months' expenditures. (paras. 101-103)

23. At its fourth session, the General Conference requested the Director-General to finalize the compilation of a comprehensive manual containing the formal documentation of administrative policies and procedures of the Organization, especially on purchases and contracts. In May 1996 the manual was still not completed. (paras. 110-113)

24. With regard to technical cooperation activities, the decline of UNDP funding continued during the biennium 1994-1995. In addition, there is now also a decrease in expenditure financed from trust funds. Only IDF-financed projects have increased from $56.6 million to $70.7 million. In 1995, for the first time in UNIDO's history, General Fund expenditure exceeded project expenditure. Each dollar spent on technical cooperation projects costs the Organization more than one dollar at Headquarters. (paras. 114-117)

25. The analysis of the project expenditures reveals that UNIDO's main purpose, the promotion and acceleration of industrial development is still performed in form of support services, information and research, policy-making, strategic planning etc. and the relevant administration. The objective of performing technical cooperation in developing countries, however, needs to be strengthened. (paras. 118-120)

26. Country Programming Briefs are considered the prerequisites for UNIDO's demand-oriented programme and project work and a guideline for its way of decentralization. Because of insufficient information on the requirements and little support for the preparation of the Country Programming Briefs, the staff of the substantive divisions involved was not able to meet the deadline for the development of comparable country documents. Upon checking existing Country Programming Briefs, my staff found little correlation between the stipulated five specific development objectives and the key areas for future industrial development and proposed projects elaborated in the country papers. (paras. 121-129)

27. The Organization maintained the target number of 50 UNIDO Country Directors (UCD) posts, originally recommended by the Industrial Development Board (IDB) as a means of decentralization to the field offices of certain functions, although fundamental changes in policy and funding have taken place since the establishment of that number. During the review phase and before the basic decision was made on what the UCD programme will look like in the future, additional posts were filled. (para. 130)

28. The criteria for the appointment of UCDs were doubtful, job descriptions did not reflect the specific requirements of a country or the region of coverage. These uncertainties do not provide a sound basis for the continuation of the UCD programme. They also lead to inefficient procedures. (paras. 131-134)

29. Furthermore, I noted that UCDs lacked precise and detailed guidance for the accomplishment of their daily work. (para. 135)

30. Under the guidance of a consultant who was engaged to accelerate the final stages of the reform process, many recommendations on the structure of UNIDO's field representation were prepared. Detailed recommendations should have been finalized by January 1996 at the latest. At the time of my audit in April 1996, no such recommendations had been submitted. (paras. 136-137)

31. New comprehensive policy guidelines for all projects were established. Acting as an overall framework, these guidelines should cover all phases and criteria of project development. However, there are gaps in the guidelines regarding regulations concerning the planning and management of project implementation. (paras. 138-139)

32. As at May 1996, revised project cycle management procedures had not been issued. (paras. 140-141)

33. During the past five years, UNIDO has contracted several consultants to help the Organization to find its Information Technology (IT) Strategy for the coming years. The Organization spent a considerable amount of money for these consultancies. In May 1996 UNIDO still had no generally accepted IT strategy and migration plan. (paras. 142-146)

34. At the end of the year 1994, Management decided to introduce a "Travel information and coordination system (TRICOS)" to better plan and coordinate travel activities. A consultant was contracted who had promised to deliver an operational PC/LAN system by July 1995. In parallel, MIS started to develop a mainframe data entry and downloading subsystem to provide data for the TRICOS system. In May 1996 the system was still in a testing phase. Only two staff members were actually using the system. MIS should take over maintenance. However, as MIS did not participate in the external development of the PC/LAN system and as the documentation on the system was incomplete, on-the-job training for MIS staff members has only taken place to a very limited extent. For that reason, MIS is not able to take over future maintenance work. (paras. 147-153)

35. A computer-based procurement system should replace the current cumbersome and time-consuming manual procedure of the initiating, updating and monitoring of requisitions, purchase and contracts. The proposed system was initiated by the Purchase and Contract Unit and was expected to be used by all staff members who are involved with requisition, purchase and contract work. As there was no sufficient feedback from the main users to provide MIS with sufficient information to finalize the system, the development of the procurement system nearly came to a standstill. The estimated costs for the development of the procurement system until now amount to $120,000. (paras. 154-159)

36. Staff costs of the substantive divisions in 1995 were the second highest since 1986, mainly because of the termination benefits payable as a result of the latest staff reduction programme. The output ratio, representing technical cooperation expenditure per United States dollar spent for staff costs of substantive divisions, has declined constantly since 1990 and is now the lowest in UNIDO's history. (para. 160)

37. In 1995 the share of staff costs of substantive departments in the total staff costs amounts to 62 per cent. This reflects Management's efforts to keep the high level reached in the prior biennium. (paras. 161-162)

38. During the period 1986-1992, UNIDO operated on the basis of five different organization charts. In 1994, UNIDO underwent significant changes in line with the new priorities and structural reform. The new organizational structure implied an essential departure from the structure that had prevailed in UNIDO over past years. With the assistance of a consultant, cross-divisional processes have been initiated. The restructuring has not been completed yet as Managment's capacity for work was absorbed by the staff reduction exercise. Necessary decisions were not made by Management in an appropriate time. In his final report, the consultant stressed the need for further actions to be taken. He described issues to be given special emphasis and recommended an implementation plan for 1996. At the time of the final audit in April 1996, the Organization was not in line with the proposed timetable. (paras. 163-171)

39. UNIDO had to undergo two separation exercises in 1987 and 1993 to reduce costs. Various summaries of roughly estimated agreed termination costs were drawn up with different results. Altogether, the estimates deviated from the actual costs. A recalculation of the overall costs of the separation exercise in 1993 related to the agreed termination of 110 staff members resulted in $10.6 million. (paras. 172-174)

40. The Industrial Development Board requested the Director-General to implement the budgets for 1996-1997 within the cash resource availability and in accordance with the expenditure plans presented by him. These plans contained the suspension of 39 Professional and higher-level posts and 75 General Service-level posts as of 1 January 1996. Contingency plans provided for the suspension of a total of more than 60 Professional and higher-level posts and 180 General Service-level posts. A separation indemnity reserve of $17 million was established for this purpose. Based on the 1993 staff reduction, the costs of separation per staff member can be estimated at approximately $100,000. Therefore, it can be questioned whether an amount of $17 million will suffice to cover all costs of the recent staff reduction programme. (paras. 175-180)

41. In July 1991, the Board requested the Director-General to prepare a manual of financial and accounting policies and procedures. In December 1994, the Manual was finalized. However, staff members were not in-

formed that the Finance Manual had been issued and that its provisions have to be adhered to. Most staff members involved in financial administration have not been provided with a copy of the Manual and many of them do not even know of its existence. So far, no updates have been made. Important parts are still missing. (paras. 181-189)

III. BUDGETARY, ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

A. Regular budget assessed contributions income

42. The assessed contributions from Member States in respect of the 1994-1995 regular budget of the Organization amounted to $235,793,793. Of this amount, a total of $161,853,370 or 69 per cent, was received by 31 December 1995 leaving an outstanding balance of $73,940,423.

43. Thus, the cumulative unpaid contributions of $81,601,339 as at 31 December 1995 included $6,965,876 or 8.5 per cent due in respect of the 1992-1993 and prior fiscal periods.

44. In this regard, I noted in particular that 63 Member States, including new Member States, accounting for 60 per cent of the assessment for 1994-1995, had no outstanding balances of assessed contributions to the UNIDO regular budget as at 31 December 1995. On the other hand, 69 Member States, accounting for 5 per cent of the 1994-1995 assessment, had not contributed to the financing of the 1994-1995 regular budget of the Organization throughout this period. Furthermore, one Member State, accounting for 25 per cent of the 1994-1995 assessment, had accumulated 53.7 per cent ($40,087,687) of the total of assessed contributions unpaid for the 1994-1995 biennium as at 31 December 1995. The arrears in respect of prior biennium's assessments as at 31 December 1995 (excluding $6,869,198 representing new Member States' contributions) were due from 67 Member States, six of whom accounted for 48.9 per cent ($3,360,603) of the total amount due.

45. In this respect I would like to point out that the Constitution of UNIDO provides a procedure for withdrawal of Member States (Article 6). However, as 32 per cent of the regular budget assessed contributions are withheld contrary to contractual agreements it becomes difficult for the Organization to react within the contractual stipulations and to elaborate strategies on a dependable basis. Some of the deficiencies pointed out below are partially due to this situation.

46. A summary of relevant data regarding the status of unpaid assessed contributions from Member States to the UNIDO regular budget throughout the 1986-1995 period is provided in tables 1 and 2.

Table 1
UNIDO REGULAR BUDGET

Status of contributions unpaid (including new Member States), 1986-1995
(In United States dollars)

Status as at	For the biennium					Total
	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
31 Dec. 1986	16,496,226	-	-	-	-	16,496,226
31 Dec. 1987	26,140,533	-	-	-	-	26,140,533
31 Dec. 1988	2,953,466	23,763,254	-	-	-	26,716,720
31 Dec. 1989	904,350	31,203,654	-	-	-	32,108,004
31 Dec. 1990	515,366	4,730,210	28,942,294	-	-	34,187,870
31 Dec. 1991	180,666	1,704,131	28,698,921	-	-	30,583,718
31 Dec. 1992	148,882	630,135	10,825,224	28,842,871	-	40,447,112
31 Dec. 1993	142,944	475,694	2,490,909	36,814,839	-	39,924,386
31 Dec. 1994	131,322	443,693	2,313,739	14,562,902	29,656,253	47,107,909
31 Dec. 1995	119,742	255,741	1,404,201	5,186,192	74,635,463	81,601,339

Source: Financial statements of the biennium 1994-1995, statement II, schedule 2.1.

Table 2
UNIDO REGULAR BUDGET

Status of assessed contributions unpaid, 1986-1995
(In per cent of total assessments for year or biennium)

Status as at	For the biennium				
	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995
(a)	(b)	(c)	(d)	(e)	(f)
31 Dec. 1986	29.2	-	-	-	-
31 Dec. 1987	22.6	-	-	-	-
31 Dec. 1988	2.6	30.8	-	-	-
31 Dec. 1989	0.8	21.0	-	-	-
31 Dec. 1990	0.4	3.2	32.8	-	-
31 Dec. 1991	0.2	1.1	16.7	-	-
31 Dec. 1992	0.1	0.4	6.3	28.0	-
31 Dec. 1993	0.1	0.3	1.4	18.4	-
31 Dec. 1994	0.1	0.3	1.3	7.3	25.2
31 Dec. 1995	0.1	0.2	0.8	2.6	31.7

Source: Financial statements of the biennium 1994-1995, statement I and II.

B. Regular budget implementation

47. Out of the total (gross) appropriations of $269,463,500 (valued at the average rate of exchange for the biennium 1994-1995 of US$ 1 = AS 10,72) for the regular budget of the Organization in respect of the biennium 1994-1995, a sum of $245,539,200 was expended as at 31 December 1995 leaving an unspent (gross) balance of $23,924,300.

48. The excess of the balance of appropriations over expenditure plus excess of total income over approved estimates in the amount of $27,053,112 at the end of the second year of the biennium 1994-1995 (statement IV) thus represented 10.1 per cent of the appropriations. The corresponding unutilized balance for the prior fiscal periods amount to:

$361,147	or 0.3 per cent of the appropriations for 1986-1987;
$731,292	or 0.5 per cent for 1988-1989,
$2,055,708	or 1.2 per cent for 1990-1991, and
$11,083,522	or 5.5 per cent for 1992-1993

49. However, when comparing the above-mentioned figures for the current biennium with prior fiscal periods, one has to take into account that the assessed contributions of one Member State, accounting for 25 per cent of the assessment, remained unpaid. The Organization had to meet these financial constraints and to introduce a cost reduction programme. Because of this saving, the total expenditure did not meet the revised appropriations.

50. Similarly, the provisional excess of regular budget income over expenditure at the end of the second year of the biennium 1994-1995 amounted to $31,405,845, compared to $361,147 for 1986-1987, $1,521,997 for 1988-1989, $5,340,096 for 1990-1991, and $8,674,693 for the biennium 1992-1993 (see table 3). This figure is extraordinarily high because assessed contributions unpaid are considered as income. Due to the non-payment of expected $40 million by one Member State, there is actually an excess of expenditure over collected income of about US$ 10 million, partly financed from the Working Capital Fund.

51. Comparing the status of appropriations by major object of expenditure (see schedule 4.1), I also noticed that the actual implementation rate varied considerably between the individual major objects of expenditure of the regular budget of UNIDO for the 1994-1995 fiscal period. However, this did not significantly affect the basic expenditure distribution pattern of the UNIDO regular budget as such (see table 4).

Table 3
UNIDO REGULAR BUDGET

Unutilized balances of appropriations and biennial excesses of income over expenditure, 1986-1995
(In United States dollars)

Status of	Biennium				
	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995
(a)	(b)	(c)	(d)	(e)	(f)
Unutilized balance of appropriations (gross) at the end of the second year of the biennium	685,306	2,817,785	5,793,472	18,114,311	23,924,300
Unutilized balance of appropriations (net) at the end of the second year of the biennium	361,147	731,292	2,055,708	11,083,522	27,053,112
(Provisional) excess of income over expenditure at the end of the second year of the biennium	361,147	1,521,997	5,340,096	8,674,693	31,405,845
Final excess of income over expenditure for the biennium	4,377,386	6,496,192	8,746,822	14,732,924	-

Table 4
UNIDO REGULAR BUDGET

Expenditure by major object of expenditure at the end of the second year of the biennium, 1986-1995
(In per cent of total (gross) expenditure for the biennium)

Major object of expenditure	Biennium				
	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995
(a)	(b)	(c)	(d)	(e)	(f)
Salaries, other personnel costs	67.1	68.3	70.9	71.0	69.0
Travel	1.8	2.2	1.8	1.2	1.3
Operating expenses	17.5	17.4	15.0	12.6	12.0
Other	13.6	12.1	12.3	15.2	17.7
Total	100.0	100.0	100.0	100.0	100.0

Source: Financial statements of the biennium 1994-1995, schedule 4.1.

C. Regular budget overexpenditures

52. According to Financial Rule 109.4 (b) and the relevant provisions of the Finance Manual, certifying officers may only incur a proposed obligation or expenditure, if it

- Is in accord with existing regulations, rules and instructions;
- Is reasonable and in accord with the purpose for which the relevant appropriation was approved and the allotment made;
- Can be met from the available balance of the allotment to the relevant account, with due regard to foreseeable future obligations.

53. The Director-General may authorize the transfer of funds between major programmes. However, no transfer between major objects of expenditure within the regular budget may take place, except when approved by the General Conference (Financial Regulation 4.3 (b)).

54. My staff identified expenditures exceeding the relevant allotments as well with regard to major programmes as to major objects of expenditures. The negative balance of appropriations of $68,851 under major object of expenditure Contractual Services (see schedule 4.1 of the financial statements) was due largely to the requirement to provide funds for external printing of a UNIDO-publication "UNIDO 1994, The Year in Review" and other costs for public information services. This meant that transfers between major objects of expenditures within the regular budget had taken place, which require the General Conference's approval.

55. With regard to overexpenditures concerning major objects of programmes, Management provided satisfactory explanation. Because of the written approval of the Director-General, the procedure is in line with the relevant financial regulation 4.3 (c). In respect of the expenditure of $68,851 over the budgeted amount for Contractual Services, Management admitted that the proposal to transfer savings from other objects of expenditures should have been submitted to the policy-making organs. The action was not taken due to an oversight.

D. Regular budget unliquidated obligations

56. According to financial regulation 4.2 of UNIDO, regular budget appropriations shall be available for 12 months following the end of the fiscal period to which they relate, to the extent that they are required to discharge obligations in respect of goods supplied and services rendered during that fiscal period and to liquidate any other outstanding legal obligation of that fiscal period. In those cases where the legal obligation cannot be liquidated within the time period mentioned above, each obligation is examined and cancelled or re-obligated against current appropriations (financial rule 104.2). A cancelled obligation results in savings on liquidation of obligations in the following biennium and increases the provisional excess of income over expenditure. Finally, this results in a provisional surplus, which shall be surrendered to Member States.

57. The unliquidated obligations carried forward to the biennium 1996-1997 totalled $20,278,456 for the 1994-1995 fiscal period. Compared with the biennium 1992-1993, they have risen from 7.5 per cent of the biennial expenditures to 9.9 per cent (see table 5). This seems to be an indicator for an unfavourable trend. But in this regard it has to be considered that $7,454,000 have been raised against 1994-1995 appropriations to bring the separation indemnity reserve to its level established by the General Conference. By 31 March 1996, $9,344,619 of the obligations as at 31 December 1995 had been liquidated.

58. My staff performed a follow-up audit of the treatment of prior biennium obligations (financial regulation 4.2(c)). In prior years, the review of outstanding obligations at the end of biennium had not been completely and adequately performed. This is also reflected by the relatively high rate of 25 per cent of savings on the liquidation of prior biennium's obligations. Therefore, we checked again whether the certifying officers had complied with the request from Accounts and Payments Unit to report in writing on the final review of unliquidated obligations as at 31 December 1995.

59. The audit revealed that the procedure stipulated in the financial rules was not fully complied with. Not all of the certifying officers addressed had sent a confirmation that they had reviewed all obligations for which they had been designated.

60. Management explained that after the staff reduction exercise, which had taken place end of 1993, it would have been difficult to obtain the requested statements from certifying officers then responsible. Some of them had left the Organization and others had been reassigned. Further efforts would be made to obtain the necessary certificates in the future.

E. Accounting and reporting procedures: Commitments approved for future fiscal periods

61. Obligations in respect of goods supplied and services rendered during a fiscal period and obligation to liquidate any other outstanding legal obligation of that fiscal period should be disclosed as unliquidated obligations of that fiscal period, whereas the correspond-

Table 5
UNIDO REGULAR BUDGET

Status of unliquidated obligations and savings on the liquidation of obligations, 1986-1995

Status of unliquidated obligations as at 31 December of the second year of the biennium	Biennium				
	1986-1987	1988-1989	1990-1991	1992-1993	1994-1995
(a)	(b)	(c)	(d)	(e)	(f)
In US dollars	10,169,712	16,997,057	9,843,155	14,409,403	20,278,456
In per cent of total regular budget expenditure	8.8	11.5	5.8	7.5	9.9
Total of savings realized on the liquidation of obligations (in US dollars)	3,687,220	1,876,917	2,242,258	3,675,236	-

Source: Financial statements of the biennium 1994-1995, schedule 4.1 and statement I.

Table 6
UNIDO

Commitments recorded and reported as at 31 December 1993 and as at 31 December 1995

Fund	Amount of commitments as at 31 Dec. 1993	Reference	Amount of commitments as at 31 Dec. 1995	Reference
(a)	(b)	(c)	(d)	(e)
General Fund	15.9	Note 2	3.2	Note 2(n)
IDF	5.3	Note 5	14.7	Note 4(j)
Trust funds	3.0	Note 6	2.1	Note 4(j)
UNDP	8.3	Note 7	2.5	Note 4(j)
COMFAR	0.1	Note 10	0.1	Note 3(e)
Total	32.6		22.6	

Source: Financial statements of the biennium 1992-193 and 1994-1995.

ing disbursements will be made in future bienniums. Commitments comprise liabilities arising out of contracts concluded during this period whereas the supply of goods, rendering of services and fulfilment of other legal obligations as well as the disbursement will be made in a future fiscal period.

62. According to note 1(m) of the financial statements, commitments "are disclosed in the notes to the financial statements of the respective fund". The examination of the financial statements of UNIDO for 1994-1995 revealed that the current commitment accounting and reporting procedure constitutes a formal departure from UNIDO's financial rule 104.3. This rule stipulates that the legal obligations at the end of a fiscal period shall be charged to a deferred charge account.

63. These facts had already been disclosed by the External Auditor in his report for the biennium 1992-1993. Management considers that this presentation is more appropriate, because it avoids inflating the assets of the Organization that arise upon reporting commit-

ments as deferred charges in the statements. The External Auditor agreed that the presentation prescribed in the financial rules might be misleading. Upon his recommendation, the Industrial Development Board, in its resolution IDB.13/Res.21, decided that Financial Services Management should propose an amendment to the financial rules of UNIDO to bring the relevant legislative provision in line with current procedures.

64. In the biennium 1994-1995, the Organization continued to disclose commitments in notes instead of as deferred charges, although proposals for amendments of financial rule 104.3 have not been submitted.

65. I would like to advise that the Administration should amend the financial rules without further delay and inform the policy-making organs accordingly.

66. In comparing the total amounts of commitments reported as at 31 December 1993 and as at 31 December 1995, I noticed a substantive decrease in General Fund commitments (see table 6). However, as UNIDO has changed its reporting policy, the amount of commitments reported at the end of the biennium 1994-1995 no longer comprises long-term contracts awarded for the operation of the Viennia International Centre (VIC) (see note 2(n)) because they may be terminated at any time without penalty. I will propose this subject as a topic for the next meeting of the Panel of External Auditors in order to seek a consistent accounting practise for commitments throughout the United Nations system.

F. Unliquidated obligations — UNDP operating fund

67. Compared with the prior biennium, the percentage of unliquidated obligations of the total expenditures has significantly increased (see table 7).

68. UNDP had requested the agencies to review all 1994 and prior years' unliquidated obligations and retain only those for which a firm liability to pay the amount obligated still exists. According to UNDP, all 1993 and prior obligations should be settled or liquidated by 31 December 1995. My staff found some unliquidated obligations that date back to 1989. In some cases I doubt if there is still a firm liability to pay.

69. Management informed me that some of the respective obligations were cancelled in May 1996 and that they would hold special information meetings to ensure that the responsible officers are again made aware of the importance of cancelling invalid obligations.

Table 7
UNIDO-UNDP OPERATING FUND

Status of expenditures, 1989-1995
(In United States dollars)

Year	Unliquidated obligations	Expenditure	Percentage
(a)	(b)	(c)	(d)
1989	33,193,764	90,188,554	36.8
1990	39,829,606	108,631,267	36.7
1991	30,813,579	86,876,391	35.5
1992	19,947,314	67,328,372	29.6
1993	12,884,793	63,508,336	20.2
1994	13,355,088	38,984,761	34.3
1995	9,091,112	30,995,868	29.3

Source: Financial statements of the biennium 1994-1995, annex III, tables 1 and 2, General Ledger.

G. Liquidity position

70. To assess UNIDO's liquidity position I considered all General Fund assets and liabilities in order to classify them as long-term or short-term items. I decided to present short-term assets and liabilities only if the expected maturity is below six months.

71. I considered certain accounts receivable as advances to staff members and the income tax recoverable as long-term assets. According to the results of my 1995 review, I classified 70 per cent of outstanding contributions as at 31 December 1995 as long-term assets, as these amounts were not paid before the second half of the year. Therefore, 30 per cent of the contributions outstanding at 31 December 1995 are short-term only. In addition, I excluded the amount of about $40 million due from one Member State from this calculation as it is unlikely that the United States Government will pay this debt in the near future. Surpluses due to Member States and several other liability items that will not be paid in due course are classified accordingly as long-term liabilities.

72. As at 31 December 1995, the total cash amounted to $11,306,705, a portion of $8,600,000 was invested in time deposits.

73. All investments have a maturity of no more than 22 days after year end and can be considered as liquid.

74. I classified the separation indemnity reserve as well as the unliquidated obligations, including a portion of $7.5 million obligated for separating staff members, as short-term liabilities, as the related payments will be due in the first half of 1996.

75. Including the other short-term assets and deducting the short-term liabilities (see table 8), total liquid funds amounted to $-1.9 million (excess of current assets over current liabilities) compared to $26.3 million after the first year of the 1994-1995 biennium. At 31 December 1993, liquid funds had still amounted to $4.8 million.

76. The decrease of liquid cash by $6.7 million from 1993 to 1995 resulted mainly from provisions established to finance the staff reduction exercise. The estimated amount of about $17 million earmarked for that purpose is partly included in the unliquidated obligations ($7.5 million). The separation of staff members is financed partly from the separation indemnity reserve, to which the amount of $9.5 million was transferred (note 2(d(i))). Disbursements can be expected to be due in the first months of 1996 so that there was an urgent need for liquid funds to effect the payments. The negative amount of liquid funds shows that UNIDO was not able to pay the short-term liabilities without making use of the Working Capital Fund. Even about 70 per cent ($6.3 million) of the funds held in the Working Capital Fund were already used as an advance to the General Fund.

77. UNIDO's severe liquidity problems are due to the material increase in unpaid assessed contributions from Member States. Of the $81.6 million outstanding, $40.0 million was due from one Member State. Only the timely payment of several Member States enabled the Organization to meet the regular budget expenditure (excluding the earmarked amount of the separation indemnity reserve) in the first months of 1996. In Management's view, outgoing cash will decrease remarkably in the second half of 1996 from an average of $12.2 million to $9.4 million per month because of the reduced staff cost.

H. Cash flow statement

78. In accordance with the intentions of the Panel of External Auditors and CCAQ(FB) to create standards for all United Nations organizations for the year-end reporting, I invited UNIDO to consider the presentation of a cash flow statement. A cash flow statement normally provides information that enables users to evaluate the changes in net assets of an organization and its financial structure, including its liquidity and solvency. The Organization has taken up this issue and introduced this calculation as statement III into the financial statements. I appreciate the readiness of Management to undergo efforts to prepare such a statement as recommended by CCAQ(FB). To enhance the usefulness of the cash flow statement, I added the comparative figures for the prior biennium (table 9). I consider the comparison between two financial periods makes statement III a meaningful tool to assess the internal financial situation of the Organization. The development from 1993 to 1995 underlines my findings about the liquid funds available as at 31 December 1995 and provides useful information over a period of time.

79. At the end of the biennium 1994-1995, net cash from operating activities had declined sharply by about $21 million compared to 1993 mainly due to the non-payment of one Member State. At the same time, the excess of income over expenditures increased by about the same amount, because income is considered on an accrual basis of accounting so that the unpaid contributions are included in this amount. Consequently, due to a lack of inflowing contributions, cash flows from investing and financing activities and other sources became more important.

Table 8
UNIDO REGULAR BUDGET

Liquidity position
(In United States dollars)

Assets and liabilities	End of biennium		
	31 Dec. 1993	31 Dec. 1995	Difference
(a)	(b)	(c)	(d)
Assets			
Long-term			
Accounts receivable			
Advances	1,813,076	1,921,684	108,608
Income tax recoverable	1,252,360	1,198,055	(54,305)
Contributions receivable	28,847,071	69,147,243	40,300,172
Subtotal A	31,912,507	72,266,982	40,354,475
Short-term			
Cash	8,120,489	11,306,705	3,186,216
Accounts receivable	4,473,482	9,542,794	5,069,312
Contributions receivable	11,077,315	12,454,096	1,376,781
Deferred charges	660,624	1,281,371	620,747
Subtotal B	24,331,910	34,584,966	10,253,056
Total Assets (A+B)	56,244,417	106,851,948	50,607,531
Liabilities			
Long-term			
Surpluses to Member States	24,391,378	52,809,795	28,418,417
Provision for national income tax	0	950,490	950,490
Reserves	348,206	307,340	(40,866)
Loan from the United Nations	12,000,000	10,000,000	(2,000,000)
Advance from Working Capital	0	6,323,400	6,323,400
Subtotal A	36,739,584	70,391,025	33,651,441
Short-term			
Accounts payable	4,949,583	4,967,028	17,445
Unliquidated obligations	14,409,403	20,278,456	5,869,053
Due to other funds	145,847	2,459,871	2,314,024
Separation indemnity reserve	0	8,755,568	8,755,568
Subtotal B	19,504,833	36,460,923	16,956,090
Total Liabilities (A+B)	56,244,417	106,851,948	50,607,531
Excess of current assets over current liabilities	4,827,077	(1,875,957)	(6,703,034)
Increase in short-term assets			10,253,056
Less increase in short-term liabilities			16,956,090
			(6,703,034)

Table 9
GENERAL FUND and WORKING CAPITAL FUND

Statement of cash flow for the bienniums 1992-1993 and 1994-1995
as at 31 December
(In thousands of United States dollars)

	Biennium 1994-1995	Biennium 1992-1993
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (statement I)	31,405.8	8,674.7
(Increase) decrease in contributions receivable	(41,669.3)	(9,340.7)
(Increase) decrease in other accounts receivable	(5,744.4)	977.1
Increase (decrease) in contributions or payments received in advance	1,432.1	(72.5)
Increase (decrease) in unliquidated obligations	5,869.1	4,566.2
Increase (decrease) in accounts payable	(1,455.6)	1,754.2
Increase (decrease) in other liabilities	950.5	0.0
Less: Interest income	(2,880.0)	
Currency exchange adjustments	(2,507.9)	(209.3)
Net cash from operating activities	**(14,599.7)**	**6,349.7**
Cash flows from investing and financing activities		
Increase (decrease) in interfund balances	2,314.0	(710.0)
Increase (decrease) in borrowing	(2,000.0)	(2,000.0)
Plus: Interest income	2,880.0	
Currency exchange adjustments	2,507.9	209.4
Net cash from investing and financing activities	**5,701.9**	**(2,500.6)**
Cash flows from other sources		
Savings on or cancellation of prior period's obligations	3,675.2	365.3
Transfers to (from) reserves	8,755.6	
Transfers (to) from other funds		(8,190.0)
Increase (decrease) of credits to Member States	(6,633.8)	3,172.3
Net cash from other sources	**5,797.0**	**(4,652.4)**
Net increase (decrease) in cash	(3,100.8)	(803.3)
Cash at beginning of period		
General fund	8,120.5	8,923.8
Working capital fund	8,962.0	8,896.2
Total:	17,016.7	17,820.0
Cash at end of period (statement II)	**13,915.9**	**17,016.7**

80. However, total cash inflows and outflows are about on the same level as in the 1992-1993 biennium. Therefore, there is no reason for serious concern about UNIDO's financial structure and solvency—especially when savings from the reduced staff level will be effective. Nevertheless I would like to stress that UNIDO should continue to put their reduced funds to efficient and effective use.

I. Bank reconciliations

81. My predecessor expressed his concern about the serious backlog in the bank reconciliation exercise. As stated in the last report, timely and regular (monthly) performance of the reconciliation of UNIDO's bank accounts is vital to warrant the correctness of the reported cash situation.

82. Because fraudulent cheques had been detected, my staff followed up on this issue during the biennium and found out that, although efforts were being made to clear the backlog, some bank accounts had not fully been reconciled since 1990. One of the most important accounts with many daily transactions was only reconciled up to May 1993.

83. At the end of the biennium, my staff again carried out a sampling review of the reconciliation of the balances of UNIDO's bank accounts as at 31 December 1995 with those of the relevant bank statements. They examined accounts from 10 different banks. In all cases, the year-end reconciliation had been performed. Meanwhile, the current reconciliation was also carried out on a monthly basis as required by financial rule 110.10. Therefore, I acknowledge the achieved results. Furthermore, I recommend to continue these efforts to reconcile all major bank accounts in a timely and regular manner.

J. Voucher and Cheque Register

84. My staff cross-checked the Voucher and Cheque Register and Treasury's Interoffice Memoranda concerning cancelled and voided cheques. As a payment made on a fraudulent cheque is not automatically detected, they found the applicable procedures insufficient. The lacking overview of the cheques issued constituted a serious internal control weakness. I therefore advised to implement an edp-supported control of the Cheque and Voucher Register.

85. Management agreed that effective internal controls with respect to cheques issued and collected could serve to minimize the risk of fraudulent cheques. In order to strengthen internal controls, a manually kept log had been set up in the Treasury. This log comprises the numbers of all cheques issued. The computerized Detailed Bank Ledger Report was amended by one column showing the cheque numbers.

86. The follow-up of this issue revealed that no electronically monitored cheque register has been set up. Although losses for UNIDO have not been detected, considering the fact that new difficulties with mailed cheques have arisen, I strongly advise the installation of an electronically controlled cheque's register, where all issued and collected cheques are periodically cross-checked. In order to minimize the risk of fraudulent mailed cheques, we also advise restricting the payment by cheque as much as possible and using electronic banking.

IV. CASH MANAGEMENT

A. Liquidity planning

87. The objective of cash management is to match, as far as possible and in the most cost-effective way, the inflow of cash with the outflow. Short-term requests force the Treasurer to keep rather high amounts in current accounts. Therefore, a close cooperation of all participants is necessary. With regard to the flow of payments, liquid cash could be reduced in order to obtain higher interest from time deposits if the expending officers advise payment requests well in advance, and if the information provided is reliable. Early information should be possible, because UNIDO's payments are usually based on invoices with a target of 30 days.

88. A three months' forecast for payments for contracts and another one for purchases is submitted once a month to Treasury to facilitate an effective cash management. However, this forecast shows the payments due in the relevant month only. Therefore, the money involved can only be held in current accounts with no or very low interest. Additionally, the forecast shows neither the currency in which the payment has to be made nor the exact date of payment. Also the forecasts are not reliable.

89. In several cases, considerable sums were announced for a certain month but payment was delayed for more than three months or payment had already been effected—even in a different currency.

90. Although a lot of information is communicated to Treasury through personal contacts and initiative, the system can only work satisfactorily if there is an obligatory reporting procedure. Therefore, I recommended in October 1995 that the estimates be updated regularly by an amendment in the electronic contract and procurement system.

91. Management has announced to act accordingly. However, by the end of April 1996 this improvement had not been implemented.

B. Investments and interest earnings

92. As at 30 September 1995, UNIDO held cash resources in current accounts and time deposits totalling $194.5 million. A portion of $176 million was invested in time deposits.

(i) Current accounts

93. The examination of the daily cash position showed that liquid cash at banks was on a reasonably low level in the regular budget. During the six weeks between 8 September 1995 and 13 October 1995, cash in current accounts in the regular budget ranged between $2.6 million and $4.3 million with an average of $3.2 million. In relation to monthly expenditures of $10 million to $13 million, this amount could only be reduced if an exact planning of disbursement dates was possible.

94. However, a further improvement could be achieved if Treasury would regularly transfer surpluses of current accounts to call accounts in the evening. Another option would be to extend the use of a so called "zero-balance-account" to more UNIDO bank accounts. In such accounts a positive balance in the evening is automatically switched to a higher-yielding call account.

95. Management answered that surpluses in current accounts were transferred regularly to call accounts whenever warranted and that in the near future a "zero-balance" arrangement would be made for a second dollar and multi-currency account.

(ii) Regular budget investments

96. In the General Fund, UNIDO applies a split currency assessment system and receives funds in United States dollars and Austrian schillings in the same portion in which disbursements will be made. Consequently, about 60 per cent of all short-term investments are held in Austrian schillings, 40 per cent in United States dollars. As long as the interest rate for United States dollar investments is much more favourable than the one for Austrian schillings, it is feasible to calculate the difference in the yield.

97. As long as the costs of the double exchange do not exceed the advantage in interest I would recommend to make investments in United States dollars. Investments in higher interest-bearing currencies can additionally be combined with a fixed forward (FX) deal in order to exclude any exchange rate risks.

98. I invited UNIDO to empower the Treasurer to decide that, whenever an investment is planned, whether it is more advantageous to combine an investment in higher yielding currencies with an FX-transaction, or to choose an ongoing investment with unfavourable interest rates in the currency of the future disbursements.

99. Management stated that my proposal was debatable and would be brought to the attention of the Investment Committee if an examination shows that such planning was feasible. The Investment Committee did not support my proposal, as they considered it would not be consistent with the split assessment system. Member States were assessed in Austrian schillings and in United States dollars according to UNIDO's needs, and therefore UNIDO could not afford to incur losses through currency exchange between the two currencies.

100. In my opinion, a fixed forward deal is not risky if it is used only to hedge a higher interest-bearing investment. Therefore, there is no risk of losses except in cases of judgemental errors.

(iii) Other investments

101. While in the General Fund investment planning was reasonable with respect to the timely availability of funds, it is doubtful whether short-term investments were favourable enough for the Organization in the case of IDF, trust funds and other cash resources. All investments were time deposits with maturities of no longer than 4 months.

102. As at 30 September 1995, IDF showed a cash balance of $87.7 million (US$ 88.6 million as at 31 December 1994). As monthly expenditure averages $4.5 million, these funds would be sufficient to cover more than 21 months' expenditures. Because a certain portion of funds will surely not be needed on short-term, I recommend to invest this portion on a longer term. Additionally, I would like to recommend that a greater portion of UNIDO funds be entrusted to professional investment managers. They should be given investment guidelines to ensure that the investments are totally secure. Additionally, management fees should not be excessive if UNIDO chose a bank where the Organization holds one of the major accounts.

103. In December 1995, Management brought this proposal to the attention of the Investment Committee, which agreed in principle. The Committee shares my view that long-term investments should be explored.

C. Bank accounts

104. Upon my recommendation, UNIDO has already closed several of its 77 bank accounts that had not been used for several months. To improve liquidity planning a further reduction of the number of accounts would be advisable. The local currency accounts of the IDF and UNDP resources in the areas of operation especially give reason for concern because of reconciliation problems with the relevant banks.

105. Management announced that they would finalize the agreement for the establishment of a "multi-currency account" with one bank that would enable the closing of a number of convertible local currency accounts. This new account was expected to be opened in June 1996.

D. Industrial Development Fund (IDF)

106. Internal Audit Services has, *inter alia*, criticized that, for the period 1990 to 1994, there were bank charges on IDF accounts amounting to $87,812. Out of these charges, $86,121 were charged to the contribution of one donor and the balance amount ($1,691) was charged to the General Pool of IDF, which resulted in distorted financial records. This situation was caused by Administration's instructions that all bank charges should be charged to the country where the bank was located, rather than charging the respective donors. In June 1995, this procedure was changed, and charges amounting to $82,363 were re-allocated to various donors.

107. Internal Audit Services had also noted that funds in a non-convertible currency amounting to $436,000 were available in an IDF account as of 31 December 1995. During 1994 and 1995, the average bank balance in this account was about $900,000 and about $550,000 respectively, indicating that there were funds in excess of immediate requirements. These funds were kept in a non interest-bearing account and, in addition, UNIDO paid for the bank charges.

108. Had the surplus funds been invested in short-term deposits, they could have earned at least $70,000 in 1994 and $40,000 in 1995 in interest income. Management objected that in view of the limited staff resources and the marginal amount, as compared to total funds managed by UNIDO, the Organization had no resources to manage and invest non-convertible currencies that benefit donors only.

109. Internal Audit Services did not share Management's view that the funds benefiting donors should be dealt with differently from those of UNIDO. Meanwhile, Management took corrective action.

V. CONTRACTS AND PURCHASES

A. Written policies and procedures

110. At its fourth session, the General Conference requested the Director-General to finalize, as soon as possible, preferably before the eighth session of the Programme and Budget Committee in 1992, the compilation of a comprehensive manual containing the formal documentation of administrative policies and procedures of the Organization, especially on purchases and contracts (resolution GC.4/Res.24). At the eighth session of the Committee the Director-General stated that the first draft of the manual governing the activities of the Purchase and Contracts Sections had been completed and that the final version would be available by the end of 1992.

111. In October 1993, the current External Auditor questioned as to why no final version of the manual had been issued yet. The Administration replied that the manual had been completed in May 1993 but that the Director of the Financial Services Division and the Legal Adviser had requested that it not be finalized and to publish it when the Finance Manual would also be completed and new Financial Regulations and Rules of UNIDO would be adopted.

112. Meanwhile, the Finance Manual was published in April 1995 and I asked again for a copy of the purchases and contracts manual. The manual was still not finalized and published.

113. I reiterate that the purchases and contracts manual should be completed, updated, officially issued, and distributed to all staff members who deal with this subject.

VI. TECHNICAL COOPERATION ACTIVITIES

A. Project expenditure and regular budget expenditure

114. Table 10 provides a breakdown of the annual project expenditure for technical cooperation activities executed by UNIDO, by source of financing compared to total expenditures from the General Fund (including programme support costs less regular programme), as reported in the Financial Statements for the period 1986-1995.

115. As already outlined in the report of the External Auditor for the biennium 1992-1993 (IDB.13/7-PBC.10/8, paras 120 ff), the data of table 10 indicate that, in the period 1986 to 1990 the total expenditure for technical cooperation projects increased up to a level that

Table 10
TECHNICAL COOPERATION ACTIVITIES EXECUTED BY UNIDO, 1986-1995

Status of expenditure 1

Source of fund	Project expenditure (In millions of United States dollars)									
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Technical cooperation activities	97.3	95.6	115.5	127.1	154.3	140.8	126.2	121.1	97.5	107.2
General fund plus programme support	71.8	73.2	74.0	97.9	97.5	108.0	105.8	115.2	96.4	126.4
Ratio TC/GF	1.36	1.31	1.56	1.30	1.58	1.30	1.19	1.05	1.01	0.85

* Amounts differ from those in the previous report because now they are shown on a net basis (total General Fund expenditures reduced by reimbursements for services provided to other Organizations at the Vienna International Centre).

is 58 per cent higher than the expenditure for 1986. During 1991 to 1993 the Organization experienced a decline in technical cooperation activities. This was due mainly to a sharp reduction in UNDP funding. So far, the positive development of expenditures financed by IDF and trust funds had partially compensated for the regression of expenditure financed by UNDP.

116. During the biennium 1994-1995 the decline of UNDP funding continued. In addition, there is now also a decrease in expenditure financed from trust funds (previous biennium $64 million to $60.5 million in 1994-1995). Only IDF-financed projects have increased from $56.6 million to $70.7 million. Table 10 indicates an upward trend in 1995. However, this is due mainly to uneven distribution of IDF expenditure and insofar misleading as total project expenditure has decreased from $247.3 million in the biennium 1992-1993 to $204.7 million in the biennium 1994-1995.

117. Table 10 clearly shows that, in 1995, for the first time in UNIDO's history General Fund expenditure exceeded project expenditure. I drew Management's attention to the fact that each dollar spent in technical cooperation projects, costs the Organization more than one dollar at Headquarters and asked what instant steps UNIDO intended to take and what was being done to build up a strategy to stop, or if possible, to reverse this development. In May 1995, Management explained that non-UNDP resources showed a continuously increasing trend and that UNIDO was confident that this trend would continue. Concurrently everything possible was done to increase the share of UNDP-financed activities. However, these hopes have not materialized. On the contrary, during the past biennium, UNDP-financed activities have declined further. Trust fund expenditure (and income) have also decreased. The ratio of project delivery versus general fund expenditure has developed rather unfavourably from 105 per cent in 1993 to 85 per cent in 1995.

118. The above analysis leads to the conclusion that UNIDO's main purpose, the promotion and acceleration of industrial development, is still performed in form of activities such as support services, information and research, policy-making, strategic planning etc. and the relevant administration. The objective of performing technical cooperation in developing countries, however, needs to be strengthened.

119. Management hold the view that only a limited part of Headquarters delivered technical cooperation to developing countries in the form of projects. The other part of Headquarters also delivered various services, such as information and research, to the clients in the field. There were no "correct" or "desired" ratio between technical cooperation and General Fund: some Member States would like to see a higher, others a lower, ratio. Some United Nations agencies had very low level technical cooperation expenditure compared to General Fund expenditure. Management assured that they would like to deliver more in the form of technical cooperation projects, and that is why initiatives were under way to broaden the access to different sources of funds.

120. It has to be taken into account that the reasons for this development are partially beyond UNIDO's influence. Nevertheless, I would like to point out not to hesitate to react and to introduce a changed approach in the project areas toward industrial development. No doubt, there is an urgent need to develop an efficient strategy on this issue for UNIDO's near future.

B. Project Cycle Management

121. I reviewed UNIDO's achievements in finding a new strategy to respond to a critical financial situation and to fulfil United Nations General Assembly resolutions 44/211 and 47/199 calling for decentralization of certain functions. UNIDO is in a phase of restructuring the type of services it will provide to programmes and projects and, accordingly, its organizational structure, but essential regulations and guidelines for UNIDO's substantive work are still lacking or incomplete.

(i) Country Programming Briefs

122. UNIDO adopted a programming framework as an integral element of the Organization's quality management system, of which the basic rules are outlined in Director-General's Bulletin UNIDO/DG/B.177, "Guidelines for the Management of UNIDO Services", issued on 26 April 1994. In accordance with this Bulletin, Country Programming Briefs should be provided during the first six months after issuance of the Bulletin on each country for which the Organization is providing or intends to provide services and for which no UNIDO country support strategy has been prepared. These Country Programming Briefs should be the prerequisites for UNIDO's demand-oriented programme and project work and a guideline for its way of decentralization.

123. Because of insufficient information on the requirements and little support for the preparation of the Country Programming Briefs, the staff of the substantive divisions involved was not able to meet the deadline for the development of comparable country documents.

124. Management explained that the restructuring process had started unfolding from early 1994 leading to many changes and adjustments. A total of 14 Country Programming Briefs had been developed, existing briefs for 36 countries were currently being updated and revised, 7 further briefs were in their final draft and it was expected that Country Programming Briefs would be available for all countries where UNIDO has activities.

125. I appreciate the progress UNIDO has made in this respect. However, as it is my understanding that these Country Programming Briefs are the prerequisites for UNIDO's substantive work, I am of the opinion that a more timely preparation would have facilitated UNIDO's process of finding a new strategy and—as a result—would have helped strengthen project implementation.

126. When checking four existing Country Programming Briefs, my staff found little correlation between the stipulated five specific development objectives and the key areas for future industrial development and proposed projects elaborated in the country papers. On the one hand, there is more information included in the country papers than demanded, while on the other hand, essential information is still lacking.

127. Management shared my view that the guidelines are not sufficient to inspire the formulation of comparable country documents with basically the same types of structures and objectives.

128. In view of the fact that there was insufficient information on the requirements and little support for the preparation of the Country Programming Briefs, the deadline for the development of comparable country documents was unrealistic. Therefore, if Management sets special objectives, it should at the same time provide adequate guidance and support for its implementation, set a realistic time frame and make sure that the staff involved meet the deadline.

129. I will follow-up on this issue.

(ii) Country Director Programme

130. The Organization maintained the target number of 50 UNIDO Country Director (UCD) posts, originally recommended by the IDB (IDB.14/Dec.29) as a means of decentralization to the field offices of certain functions—stated in "Programme framework for field representations"—although fundamental changes in policy and funding have taken place since the establishment of that number. The process of reflecting the impact of these changes on the UCD programme did not start as early as the new targets had been identified. During the review phase and before the basic decision was made on what the UCD programme would have to look like in the future, additional posts were filled.

131. The criteria for the appointment of UCDs were doubtful, job descriptions did not reflect the specific requirements of a country or the region of coverage. In my opinion these uncertainties did not provide a sound basis for the continuation of the UCD Programme. They also lead to inefficient procedures.

132. Management did not share this view. As to the number of UCDs, it referred to the IDB meeting in June 1995 where Member States had requested UNIDO to

implement the field representation programme based on the target of 50 fully staffed offices. Despite the fact that field representation was under review not only by UNIDO but also by the United Nations system as a whole, Management had decided to continue to appoint UCDs wherever the need arose and within the financial resources available. Management pointed out that recently developed job descriptions for UCDs placed particular emphasis on the regional and country specific aspects and also took into account UNIDO's expected programme of activities. Management agreed that more attention should be given to the area of performance appraisal of the UCDs in an effort to provide an objective evaluation on which to base personnel decisions. The appraisal of UCDs would be included in the comprehensive review of UNIDO's performance appraisal system.

133. Under the guidance of the international firm of consultants that was engaged to accelerate the final stages of the reform process, many recommendations on the structure of UNIDO's field representation were prepared. Detailed recommendations were to be finalized by January 1996 latest. At the time of the final audit in April 1996, no such recommendations had been submitted.

134. The ongoing filling of posts despite the fact that a principal decision on the various aspects of field representation has not yet been taken is counter-productive and demonstrates a lack of cost consciousness. An earlier change of UNIDO's personnel policy would have supported the strategy of decentralization.

135. During the past years, the responsibility for the UCD Programme was moved and re-moved several times among various divisions. There was also no clear line whether programme activities should be managed by a centralized unit or decentralized with some assistance from a coordination unit. The Field representation and Coordination Unit was disbanded after a short time of existence. Now a small unit has been established in the office of the Managing Director of the Country Programmes and Funds Mobilisation Division. Furthermore, I noted that UCDs lacked precise and detailed guidance for the accomplishment of their daily work.

136. Management agreed with the observation and assured that the Organization would rectify the situation. A focal point was established in the Office of the Managing Director of the Country Strategy and Programme Development Division (CSPD). With regard to the issuance of a handbook for the UCDs, Management assured that this matter would be taken up by the Steering Committee. The preparation of a handbook would be launched in 1995. However, in May 1996 the handbook for the UCDs was still not completed due to the drastic changes caused by the UNIDO reform. Management confirmed that now that the reform was in its final stage, the Policy Advisory Group on Field Representation will be requested to review the matter.

137. The described shortcomings indicate a lack of conceptual planning and operational management. It is only on the grounds of a conceptual basis and adequate guidance that the UCD Programme can produce acceptable results. I welcome that corrective action is being taken.

(iii) Comprehensive policy guidelines

138. New comprehensive policy guidelines for all projects funded from funds administered by UNIDO were established by Director General's Bulletins DG/B. 175, 177 and 178 early in the year 1994. Acting as an overall framework, the comprehensive guidelines should cover all phases and criteria of project development. However, there are gaps in the guidelines regarding regulations concerning the planning and management of project implementation. The guidelines make no reference to the Handbook for UNIDO Field Staff or state whether it is still valid. In my view a bulletin is not the adequate tool for comprehensive regulations because it is difficult to keep it up-to-date.

139. No documented standards exist for the implementation of projects, i.e. for the delivery of services. No guidance is given to backstopping officers on their duties and obligations and on how best to fulfil them. Performance—achievements and failures—cannot be measured objectively in the absence of guidelines which specify what is expected in terms of substantive/technical, managerial and administrative backstopping. This may bring the Organization as a whole into disrepute because its name is associated with uneven performance.

140. Early in 1995 my staff was informed that UNIDO was undergoing a revision of the project cycle management procedures as part of the reform process and that there will be a revised project cycle management soon. In General Conference document GC.6/30 "UNIDO Policy Framework—Organizational and Staff Structure", the Secretariat stated, that "the revised procedures for project cycle management will play a key role". The task of formulating revised project cycle management procedures, including coverage of the post-approval stage, viz. implementation, monitoring and evaluation according to the above-mentioned paper should have been finished by January 1996. However, my staff was informed in May 1996 that revised project cycle management procedures had not yet been issued.

141. I am of the opinion that, on the way to improve the quality of UNIDO's services, adequate project cycle management procedures represent a milestone. Therefore, Management should take a more active role and speed up the development of regulations and documented standards for the implementation of projects, and finally issue these new standards in an adequate form.

VII. INFORMATION TECHNOLOGY

A. Implementation of consultancy recommendations for further computerization of UNIDO

142. During the past five years UNIDO has contracted several consultants to help the Organization to find its Information Technology (IT) strategy for the next years. In total the Organization spent more than $560,000 for consultancies, of which only a small portion was spent for system development. UNIDO staff costs also have to be added, as the consultants conducted interviews and their reports were discussed in high-level meetings. Not all contracts were initiated and backstopped by Management Information Service (MIS).

143. My staff could not find any essential impact resulting from the above-mentioned consultancies on UNIDO's IT strategy. By the end of 1995, UNIDO still had no generally accepted IT strategy and migration plan. I was informed that Information Technology—although information is UNIDO's main asset—was not an essential part of UNIDO's reform process.

144. In my opinion, a generally accepted IT strategy is a prerequisite for the decentralization of the IT budget and the authority to initiate application development. In my understanding, a decentralization without a solid conceptual basis will not only create uneconomical solutions but will also have a negative impact on the overall data quality of UNIDO's information processes.

145. Management did not share this view. The support of the consultants had been very useful to the Organization and some of their recommendations were introduced in the Organization. IT would be an essential part of UNIDO's reform. Intensive in-house discussion is going on for the formulation of a new UNIDO IT strategy, based on the new UNIDO priorities as well as a new management concept. The new strategy should be ready by summer 1996.

146. Before hiring consultants, I recommend to make sure that UNIDO is willing and financially able to implement their recommendations, and for that purpose to issue an IT strategy and migration plan before any further decentralization of IT activities. Furthermore, IT as an essential tool for handling information, should be included as an official activity with a designated activity leader in UNIDO's reform process.

B. Development and implementation of EDP applications

(i) Travel information and coordination system (TRICOS)

147. At the end of the year 1994, Management decided to introduce a "Travel information and coordination system (TRICOS)" to better plan and coordinate travel activities, to reduce travel costs, and to have a tool to evaluate "Back-to-office-mission-reports". An additional reason to initiate this PC-LAN system was to gain know-how in the development of a PC-LAN system for future system purposes. A cost-benefit analysis for the TRICOS system was not prepare In December 1994 a consultant was contracted, because UNIDO's MIS had no resources and experience to develop the complete LAN/PC-based system and the consultant had promised to deliver an operational system. Therefore, TRICOS was not backstopped by MIS. In parallel with this project, MIS started to develop a data entry subsystem and a program to download mainframe data to the TRICOS system. It was planned that the entire system should be in production by July 1995. In May 1996, i.e. nearly one year later, the system was still in the testing phase.

148. A usage survey undertaken by MIS showed that only two staff members were actually using the system. The main reasons why users did not accept the system were: TRICOS was not operating reliably, the reports produced were incomplete and inconsistent with mainframe data, and users did not accept TRICOS as a helping tool as they were not involved in the planning and introduction of the system.

149. Management decided that MIS should take over maintenance after a one year warranty period. However, MIS did not participate in the external development of the TRICOS software. Additionally, the documentation on the system delivered by the consultant is incomplete, partly because the consultant is not willing to hand over source code and documentation of some parts of the system that the consultant had declared proprietary. Therefore on-the-job training for MIS staff members has taken place only to a very limited extent. For that reason MIS is not able to take over future maintenance work.

150. For the development of TRICOS, UNIDO spent about $30,000, not mentioning the internal costs incurred by MIS for the mainframe part and other staff members. Additionally, in order to implement the system, UNIDO spent AS 969,802 to purchase the necessary hardware and software.

151. At the time of my audit, TRICOS as it was installed on UNIDO's LAN/PCs had hardly any value for UNIDO and the expenditures especially for the consultant could hardly be justified.

152. In the Administration's opinion, however, TRICOS had been a pilot project to explore the feasibility of the mainframe-PC/LAN strategy and that the Organization had learned much. The Office of the Director-General would now regularly be provided with executive information on travel. The purchased hardware and software were not dedicated solely to TRICOS.

153. Nevertheless, in my opinion, I hold that the development of the system was done in an inefficient way and the results do not meet the original objectives.

(ii) The Procurement System

154. Requisition and Purchasing had been identified by UNIDO's Information Technology Management Committee (ITMC) as one of the key areas in the technical cooperation project cycle. Proceeding from the assumption that technical cooperation projects and administrative support functions will remain the backbone of UNIDO's operations for the foreseeable future—at least until 1997, which is the period covered by the medium-term plan—Management decided in 1993 to develop a computer-based comprehensive procurement system.

155. The computer-based system should replace the current manual procedure of initiating, updating and monitoring of requisitions, purchase and contracts. The manual procedures now applied by UNIDO are cumbersome, time-consuming and paper-oriented. The proposed computerized system should eliminate all these procedures and help UNIDO to organize its work in a streamlined manner. The proposed system was originally initiated by the Purchase and Contract Unit and was expected to be used by all staff members who are involved in requisition, purchase and contract work, but especially by the backstopping officers in the industrial sectors. It has been developed in phases focusing on the technical cooperation aspect including requisition, bidding and purchase orders. In order to define the user requests, MIS and the main users had several meetings. The last of these meetings was held in November 1994. The functioning parts of the system have been used by the Human Resource, Enterprise and Private Sector Development Division (HEPD) for testing purposes. Since July 1995, training has been provided to all purchase and contracts officers as well as to their secretaries.

156. There was not sufficient feedback from the main users after the last meeting in November 1994 to provide MIS with sufficient information to finalize the system. The development of the procurement system came nearly to a standstill.

157. The estimated costs for the development of the procurement system until May 1996 amount to $120,000.

158. The Administration argued that, during the last two years, there had been several organizational changes and reassignment of staff, and the uncertainty arising from the drastic downswing and restructuring of the Division had understandably delayed the implementation of the new system. Drastic changes in organizational responsibilities had contributed to lack of appropriate use of the procurement system by the users. Nevertheless, the investment made would not have been lost. It merely would require fine tuning and implementation.

(iii) Comments and considerations

159. I am of the opinion that, under the current financial and personnel constraints, UNIDO should not concentrate its resources to develop new systems or to improve existing EDP applications without a carefully elaborated and documented cost/benefit analysis. The actual achievements should be constantly evaluated against the original objectives. Under value for money aspects it is unacceptable to invest scarce resources in application systems that are not used—as in the case of the procurement system by the users who originally initiated it. The expected users of new systems should actively support MIS in the development of the application defining their substantive requests and later on verifying whether these requests are fulfilled by the system. These substantive requests should be based on consent among all relevant users and should not express private opinions of some staff members. There should be a constant dialogue among all participants, whether they be internal or external. As to the expected benefits of both systems, Management should insist that obstacles that prevent the use of a new system are defined immediately and that ways and means are found to solve these problems. It cannot be left to the discretion of individual users whether an EDP application is used in the Organization or not.

VIII. PERSONNEL MATTERS

A. Financial information on the staff costs of substantive divisions of UNIDO

160. Table 11 shows the staff costs of the substantive divisions over the 10-year period from 1986 to 1995 and the output of technical cooperation activities expressed in project expenditure. The evolution of the share of

Table 11
UNIDO

Comparison of staff costs of substantive departments with project expenditure and total staff costs, 1986 to 1995

	YEAR	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
A	Technical cooperation expenditure (in millions of US$)	97.3	95.6	115.5	127.1	154.3	140.8	126.2	121.1	97.5	107.2
B	Staff costs of substantive departments (in millions of US$)	31.4	36.4	36.3	40.8	48.2	50.9	53.0	57.7	42.8	57.3
C	Output ratio (A:B)	3.17	2.68	3.30	3.28	3.31	2.90	2.56	2.05	2.36	1.89
D	Total staff costs (in millions of US$)	55.0	64.9	64.8	70.1	83.4	87.1	83.8	90.8	76.0	92.4
E	Share of B in D (percentage)	57	56	56	58	57	58	63	63	56	62

Source: Financial statements of the biennium 1994-1995, annex III, table 1; Annual Report of UNIDO.

the staff costs of the substantive departments in the total staff costs of the Organization is also shown in the table.

161. The table reveals that staff costs of the substantive divisions in 1995 were the second highest since 1986, mainly because of the termination benefits payable as a result of the latest staff reduction programme. The development of the amounts correlate roughly with the figures shown in table 10. The output ratio, technical cooperation expenditure per United States dollar spent on staff costs of substantive divisions, has declined constantly since 1990 and is now the lowest in UNIDO's history. Ideally, the increase in staff costs should be followed by an adequate increase in project output in order to improve the ratio. The staff reduction programme will probably reduce the staff costs at the end of 1996 at the earliest.

162. However, the table also shows that in 1995 the share of staff costs of substantive divisions in the total staff costs figures at 62 per cent. This reflects Management's efforts to keep the high level reached in the prior biennium.

B. The organizational structure of UNIDO

163. During the period 1986-1992, UNIDO operated on the basis of five different organization charts (IDB.13/7, PCB.10/8).

164. At the fifth session of the General Conference, held at Yaoundé in December 1993, the Member States unanimously passed the reform proposal of UNIDO presented by the Director-General (GC.5/23; GC.5/Res.18). The UNIDO Secretariat, together with the Member States, redefined the objectives and priorities of the Organization in the context of the new global economy and the current social and technological challenges. Since the beginning of the reform, UNIDO has been engaged in a thorough process of narrowing down the range of its services.

165. In 1994, UNIDO underwent significant changes in line with the new priorities and structural reform. A large number of new and/or modified organizational units were established. The restructuring of UNIDO required that some units be dissolved and others merged, which in turn involved the redeployment of staff at all levels. Consequently, it became necessary to redefine the responsibilities and functions of organizational units. The new organizational structure implied an essential departure from the structure that had prevailed in UNIDO over the past years. It reduced the number of decision-making levels by abolishing the five posts of Deputy Director-General. A number of D-2 posts with appropriate geographical representation then constituted the first management level under the Director-General.

166. In June 1995 the Director-General announced that UNIDO would use the support services of an inter-

national firm of consultants to accelerate and consolidate the final stages of the reform process.

167. In March 1996 a new organizational structure of UNIDO was established. With the assistance of the consultant, cross-divisional processes have been initiated. The number of divisions has been reduced. Functions have been realigned where overlaps had occurred. Other functions that had not been given due regard before have been added.

168. However, the restructuring has not yet been completed because Management's work capacity was absorbed by the staff reduction exercise. Necessary decisions were not made by Management in an appropriate time. In his final report, the consultant stressed the need for further action to be taken in order not to lose momentum. He described issues to be given special emphasis and recommended an implementation plan for 1996. At the time of the final audit in April 1996, the Organization was behind schedule of the proposed timetable.

169. The frequent organizational restructuring exercises handicapped the substantive work and influenced the quality of UNIDO's project activities. To a great extent, UNIDO's human resources were involved in reorganization activities, familiarizing with new areas of responsibility and new procedures of work. If the intervals between two organizational changes are too short to reach the end of the transition process, Management will not receive the necessary feedback of the preceding reform process to evaluate its results.

170. I am of the opinion that UNIDO should follow the consultant's implementation plan and try to complete the reform process as soon as possible in order to come to a rest. Then staff members will have the opportunity to become familiar with their terms of reference and UNIDO can focus its resources on its substantive work—the reason why Member States have founded this Organization.

171. Management shared my concern and explained that the final stage in the reform process, which were expected to be completed before the end of 1996, would involve the elaboration of detailed procedures and mechanisms in a number of areas so that principles and guidelines laid down in earlier stages would be internalized in the Organization's work and effectively translated into day-to-day action.

C. The 1995 staff reduction exercise

172. In the wake of financial problems UNIDO had to undergo two separation exercises in 1987 and 1993, respectively (cf. documents IDB.13/27, IDB.13/7 and PBC.10/8) to reduce costs. With regard to the staff reduction in 1993, Management had stated that this would inevitably involve staff reductions beyond those attainable through normal attrition and therefore, would necessarily result in additional separation costs under both the regular and operational budgets (IDB.11/6 Add.1). Various summaries of roughly estimated agreed termination costs for Professional and General Service staff were drawn up with different results. Altogether the estimates deviated from the actual costs. A first calculation based on related objects of expenditures amounted to $7.125 million as at the end of the biennium 1992-1993.

173. In my opinion, this calculation did not cover all relevant objects of expenditures. A recalculation of the overall costs of the separation exercise in 1993, related to the agreed termination of 110 staff members, resulted in $10.6 million. However, exact figures were not available. Management was recommended to take measures to ensure that the expenditures of a forthcoming staff reduction exercise should be recorded clearly and transparently.

174. Due to the late or non-payment of assessed contributions, the Industrial Development Board of UNIDO requested the Director-General at its resumed fourteenth session to implement the programme and budgets for 1996-1997 within the cash resource availability and in accordance with the expenditure plans presented by him.

175. The preliminary expenditure plans contained the suspension of 39 Professional and higher-level posts and 75 General Service-level posts as of 1 January 1996. Contingency plans provided for the suspension of a total of more than 60 Professional and higher-level posts and 180 General Service-level posts. For the remaining posts, a vacancy rate of 7 per cent for Professional posts and 5 per cent for General Services posts will have to be maintained (UNIDO/DG/B.201 dated 20 November 1995; UNIDO/DGB(M) 5 of 16 January 1996).

176. Since staff reductions of this magnitude cannot be met by normal attrition, a staff reduction programme was introduced. This commenced with a voluntary phase that ended on 8 January 1996. It was followed in February 1996 by a non-voluntary phase involving the non-extension and termination of appointments (UNIDO/DGB(M).5 dated 16 January 1996).

177. The General Conference decided that a separation indemnity reserve of $17 million should be established for this purpose (GC.6/Dec.15).

178. In the light of the calculation of the overall costs of the 1993 separation exercise the costs of separation per staff member can be estimated at approximately

$100,000. Therefore, it can be questioned whether an amount of $17 million will be sufficient to cover all costs of the recent staff reduction programme.

179. Management, however, expects that the final costs of the staff reduction programme could be fully covered within the resources available in the separation indemnity reserve.

180. I appreciate that the use of a specific separation indemnity reserve now facilitates the clear accounting for all termination and related costs. I expect that this time a reliable financial evaluation will be possible. Staff reduction exercises inevitably affect the output of the respective unit. Unfortunately, due to circumstances beyond its control, UNIDO had to enforce action without comprehensive preparation, such as workload measurements. This can negatively influence the efficiency and economy of the efforts to reduce costs.

IX. OTHER MATTERS

A. Finance Manual

181. In his report for the financial period 1988-1989 the External Auditor recommended that a finance manual be issued at an early stage, as it was obvious that full documentation of the established procedures was a prerequisite for efficient and effective management as well as for internal control purposes. In July 1991, the Industrial Development Board requested the Director-General to prepare a manual of financial and accounting policies and procedures.

182. In December 1994, the Manual was finalized; 109 copies were printed. The costs for the production of the manual amount to approximately $43,600. According to the distribution list it was distributed to 12 staff members of UNIDO. Staff members were not informed by a circular that the Finance Manual had been issued and that its provisions have to be adhered to. Most staff members involved in the financial administration have not been provided with a copy of the Manual; many of them do not even know of its existence. So far, no updates have been made.

183. Important parts are still lacking. The chart of accounts, a detailed description for the processing of transaction and the preparation of financial statements will be issued later. The Manual does not contain specific provisions for the handling of programme support cost. The list of certifying officers is completely outdated. The "new regime" for UNDP programme support has not been incorporated.

184. The introduction of the Finance Manual states correctly: "Familiarity with the Financial Rules and Regulations and the present Manual is required of all staff responsible for the administration of the financial system".

185. Taking into account that the Finance Manual does not cover important financial procedures, that parts are completely outdated and in view of the remarkably low distribution rate, it is doubtful whether it is of any practical merit and whether the related expenditures are justified.

186. The Finance Manual should be completed, updated and distributed to all staff members entrusted with the financial administration of UNIDO. It should be officially issued in order to ensure that its provisions are obligatory and adhered to by those who carry out financial functions in the Organization.

187. Management shared the view that the issuance of the Finance Manual was a very important initial step. However, in view of the recognized shortcomings, it was considered that a wide distribution throughout the Organization would result in the dissemination of incomplete information, which would lead to misunderstandings. Management assured that it intended to proceed with the revision of the Finance Manual as an important priority.

188. I acknowledge Management's assurance to proceed with the revision of the Finance Manual. I advise, nevertheless, intensified efforts in this direction. Furthermore, I want to stress once more that the findings reflected in this report demonstrate that the Organization needs definitive policies, procedures and systems providing the staff with practical guidance how to handle and complete documents, records, etc.

189. Looking at the issue from the aspect of UNIDO's new Management Principles "Delegation of Authority, Responsibility and Accountability" I am of the opinion that introduction of written definitive policies and procedures is one of the essential prerequisites for this reform process to be successful.

B. Amounts written-off, cases of fraud or presumptive fraud, and ex-gratia payments

190. The Secretariat informed me that the Organization experienced no fraud or presumptive fraud during the biennium 1994-1995. Although forged UNIDO cheques had been presented to Chase Manhattan Bank starting October 1993 there was no evidence or reason to

believe that UNIDO staff members or other persons connected to the Organization were involved. None of the forged cheques had been honoured by the bank.

191. With regard to write-off cases, the Organization notified me of 36 write-offs totalling $49,484. My audit team has been provided with satisfactory explanations of the reasons for the write-offs. However, Internal Audit Services noted some shortcomings in the administrative procedures concerning the write-off of receivables.

192. Ex-gratia payments in the amount of $15,481 in respect of the IDF and $67,644 in respect of trust funds were made with the approval of the Director-General.

C. Acknowledgement

193. I wish to express my appreciation of the cooperation and assistance extended by the Director-General and the staff of UNIDO, in particular, the staff of Financial Services and General Services.

My work has been greatly assisted by Internal Audit Service.

(*Signed*)

Dr. H. Czasche
President of the Federal Court of Audit
Germany
External Auditor

Annex I

CERTIFICATE OF THE EXTERNAL AUDITOR ON THE ACCOUNTS OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION AND OF THE INDUSTRIAL DEVELOPMENT FUND FOR THE FINANCIAL PERIOD 1994-1995 ENDED 31 DECEMBER 1995

To the President
of the Industrial Development Board

I have audited the following appended statements, numbered I to IV, properly identified, and relevant schedules of the United Nations Industrial Development Organization and of the Industrial Development Fund for the financial period 1994-1995 ended 31 December 1995. These financial statements and schedules are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, conforming with international standards of auditing, and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances. I have obtained all the information and explanations that I required for the purpose of the audit. As a result of my examination, I certify that, in my opinion:

(a) The financial statements reflect properly the recorded financial transactions for the biennium ended 31 December 1995 and present fairly, in all material respects, the Organization's financial position as at 31 December 1995;

(b) The financial transactions reflected in the statements have been in accordance with the applicable Financial Regulations and legislative authority;

(c) The financial statements have been prepared in accordance with the stated accounting policies and procedures, which were applied on a basis consistent with that of the preceding financial period.

Additional information and comments on the financial statements and this opinion are included in the observations in my long form report.

(Signed)

Dr. H. Czasche
President of the Federal Court of Audit
Germany
External Auditor

Annex II

FINANCIAL STATEMENTS FOR THE 24-MONTH PERIOD OF THE BIENNIUM 1994-1995 ENDED 31 DECECMBER 1995

Certification of financial statements

The Director-General's Responsibility

The Director General of the United Nations Industrial Development Organization is responsible for the preparation and integrity of the financial statements. These statements have been prepared in accordance with the United Nations organizations' common accounting standards and necessarily include some amounts that are based on management's best estimates and judgement. Financial information used elsewhere is consistent with that in the financial statements. Management considers that the statements present fairly the financial position of the Organization and of funds held in trust by it, the results of their operations and the changes in their financial position.

To fulfil its responsibility, the Organization maintains systems of internal accounting controls, policies and procedures to ensure the reliability of financial information and the safeguards of assets. The internal control system and financial records are subject to reviews by the internal audit service and the External Auditor during their respective audits.

The following appended financial statements, comprising Statements I to IV, relevant schedules, and supporting notes, were properly prepared in accordance with Financial Regulation X and the United Nations Common Accounting Standards and are hereby approved.

(Signed)

Mauricio de Maria y Campos
Director-General

(Signed)

Andrew Ingram
Director
Financial Services

Statement I

STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
for the biennium ending 31 December 1995
(In thousands of United States dollars)

Heading	General Fund and Working Capital Fund (Note or schedule no.)		Other headquarters funds (Note or schedule no.)		Technical cooperation (Note or schedule no.)		Eliminations	Total 1994-1995
INCOME								
Assessed contributions	235,793.8	2(a)						235,793.8
Voluntary contributions					111,267.0			111,267.0
Other income								
Revenue-producing activities	133.9	2(b)						133.9
Funds received under inter-organization arrangements					964.3			964.3
Allocations from other funds					69,812.0			69,812.0
Jointly-financed activities	33,012.8							33,012.8
Income for services rendered	1,956.6		26,294.9					28,251.5
Interest income	2,880.0		214.7		13,528.5			16,623.2
Currency exchange adjustments	2,507.9	2(c)			4,192.5			6,700.4
Miscellaneous	660.0		1,026.0		(194.9)			1,491.1
TOTAL INCOME	276,945.0		27,535.6		199,569.4			504,050.0
EXPENDITURE								
Salaries and common staff costs	172,592.8		24,177.5		98,441.2		7,226.9	302,438.4
Contractual services	872.7		32.9		33,706.0		987.6	35,599.2
Operational expenses	30,417.6		519.1		10,055.3		832.3	41,824.3
Acquisitions	2,415.2		1,001.4		34,076.3		1,008.4	38,501.3
Fellowships			19.9		15,893.1		2,493.5	18,406.5
Technical cooperation	12,548.7						(12,548.7)	
Programme support costs					24,116.4			24,116.4
Other expenditure	26,692.2		49.8					26,742.0
TOTAL EXPENDITURE	245,539.2		25,800.6		216,288.3			487,628.1
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	31,405.8		1,735.0	3(b)	(16,718.9)			16,421.9
Prior biennium adjustments	(7,163.7)	2(d)						(7,163.7)
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	24,242.1		1,735.0		(16,718.9)			9,258.2
Savings on or cancellation of obligations from prior bienniums	3,675.2	2(e)						3,675.2
Transfers to reserves	9,546.7	2(d)			182.0	4(b)		9,728.7
Transfers from reserves	(791.1)	2(d)						(791.1)
Credits to Member States	529.9							529.9
Reserves and fund balances, beginning of biennium	33,391.4		2,180.4	3(c)	92,007.7	4(c)		127,579.5
RESERVES AND FUND BALANCES, END OF BIENNIUM	70,594.2		3,915.4		75,470.8			149,980.4

Statement II

STATEMENT OF ASSETS, LIABILITIES, AND RESERVES AND FUND BALANCES
as at 31 December 1995
(In thousands of United States dollars)

Heading	General Fund and Working Capital Fund (Note or schedule no.)		Other headquarters funds (Note or schedule no.)		Technical cooperation (Note or schedule no.)		Eliminations	Total 1994-1995
ASSETS								
Cash and term deposits	13,915.9		4,000.6		156,340.4	4(d)		174,256.9
Investments								
Accounts receivable								
Assessed contributions receivable from Member States	80,905.8	2.1						80,905.8
Voluntary contributions receivable					24,085.8	2.2		24,085.8
Other contributions receivable	791.7	2.1			7,060.1			7,851.8
Interfund balances			778.7		2,217.7			2,996.4
Other	13,943.9	2(f)	73.3		3,770.0	4(e)		17,787.2
Other assets					5,432.6	4(f)		5,432.6
TOTAL ASSETS	109,557.3		4,852.6		198,906.6			313,316.5
LIABILITIES								
Payments or contributions received in advance	1,432.1	2(g)			26,052.7	4(g)		27,484.8
Borrowings payable within one year	1,000.0	2(h)						1,000.0
Unliquidated obligations	20,278.4	2(i)	929.6		25,627.6			46,835.6
Accounts payable								
Interfund balances	2,341.9				654.5			2,996.4
Other	3,960.2	2(j)	7.6		10,479.5	4(h)		14,447.3
Other funds and special accounts	950.5	2(k)						950.5
Other liabilities					60,621.5	4(g)		60,621.5
Borrowings payable after one year	9,000.0	2(h)						9,000.0
TOTAL LIABILITIES	38,963.1		937.2		123,435.8			163,336.1
RESERVES AND FUND BALANCES								
Operating reserves			5,504.2	3(d)	550.0	4(i)		6,054.2
Other reserves	8,755.6	2(d)			1,602.9	4(b)		10,358.5
Balances relating to projects funded by donors					70,895.2			70,895.2
Working capital funds	9,028.8	2(l)						9,028.8
Surplus (deficit)	52,809.8	2(m)	(1,588.8)		2,422.7			53,643.7
TOTAL RESERVES AND FUND BALANCES	70,594.2		3,915.4		75,470.8			149,980.4
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	109,557.3		4,852.6		198,906.6			313,316.5

Schedule 2.1

STATUS OF ASSESSED CONTRIBUTIONS TO THE REGULAR BUDGET

(As of 31 December 1995)

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					
		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium			TOTAL
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
AFGHANISTAN	0.0100	11,506	0	2,356	222,852	0	0	0	0	11,506	0	2,356	222,852	22,286	36,148
ALBANIA	0.0100	20,167	0	2,356	222,852	0	0	0	0	20,167	0	2,356	222,852	22,286	44,809
ALGERIA	0.1700	0	0	20,024	1,894,238	0	0	9,579	906,129	0	0	10,445	988,109	98,811	109,256
ANGOLA	0.0100	15,890	0	2,356	222,852	15,890	0	511	48,360	0	0	1,845	174,492	17,450	19,295
ARGENTINA	0.6000	631,661	0	141,344	13,371,090	84,659	0	0	0	547,002	0	141,344	13,371,090	1,337,110	2,025,456
ARMENIA	0.1400	262,200	0	32,980	3,119,920	0	0	0	0	262,200	0	32,980	3,119,920	311,992	607,172
AUSTRALIA	1.5800	0	0	188,863	17,866,507	0	0	188,863	17,866,507	0	0	0	0	0	0
AUSTRIA	0.7900	0	0	93,051	8,802,634	0	0	93,051	8,802,634	0	0	0	0	0	0
AZERBAIJAN	0.2300	221,861	0	54,182	5,125,584	0	0	0	0	221,861	0	54,182	5,125,584	512,558	788,601
BAHAMAS	0.0200	0	0	2,356	222,851	0	0	2,356	222,851	0	0	0	0	0	0
BAHRAIN	0.0300	0	0	3,534	334,277	0	0	3,534	334,277	0	0	0	0	0	0
BANGLADESH	0.0100	7,575	0	2,356	222,852	7,575	0	2,356	222,852	0	0	0	0	0	0
BARBADOS	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
BELARUS	0.5000	462,688	0	117,786	11,142,574	183,626	0	0	0	279,062	0	117,786	11,142,574	1,114,258	1,511,106
BELGIUM	1.1100	0	0	130,742	12,368,258	0	0	130,742	12,368,258	0	0	0	0	0	0
BELIZE	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
BENIN	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
BHUTAN	0.0100	0	0	2,225	210,384	0	0	219	20,665	0	0	2,006	189,719	18,972	20,978
BOLIVIA	0.0100	22,438	0	2,356	222,852	0	0	0	0	22,438	0	2,356	222,852	22,286	47,080
BOSNIA AND HERZEGOVINA	0.0400	80,678	0	9,422	891,406	0	0	0	0	80,678	0	9,422	891,406	89,140	179,240
BOTSWANA	0.0100	18,146	0	2,356	222,852	18,146	0	2,356	222,852	0	0	0	0	0	0
BRAZIL	1.6700	0	0	381,614	36,100,669	0	0	64,552	6,106,605	0	0	317,062	29,994,064	2,999,406	3,316,468
BULGARIA	0.1400	0	0	16,490	1,559,960	0	0	16,490	1,559,960	0	0	0	0	0	0

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					TOTAL
		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium			
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
BURKINA FASO	0.0100	59,475	0	2,356	222,852	0	0	0	0	59,475	0	2,356	222,852	22,286	84,117
BURUNDI	0.0100	4,693	0	2,356	222,852	0	0	0	0	4,693	0	2,356	222,852	22,286	29,335
CAMEROON	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
CAPE VERDE	0.0100	28,891	0	2,356	222,852	0	0	0	0	28,891	0	2,356	222,852	22,286	53,533
CENTRAL AFRICAN REPUBLIC	0.0100	44,866	0	2,356	222,852	0	0	0	0	44,866	0	2,356	222,852	22,286	69,508
CHAD	0.0100	20,170	0	2,356	222,852	0	0	0	0	20,170	0	2,356	222,852	22,286	44,812
CHILE	0.0800	0	0	18,835	1,781,755	0	0	9,560	904,394	0	0	9,275	877,361	87,736	97,011
CHINA	0.8100	0	0	95,407	9,025,486	0	0	95,407	9,025,486	0	0	0	0	0	0
COLOMBIA	0.1400	0	0	16,629	1,573,147	0	0	16,456	1,556,737	0	0	173	16,410	1,641	1,814
COMOROS	0.0100	53,034	0	2,356	222,852	0	0	0	0	53,034	0	2,356	222,852	22,286	77,676
CONGO	0.0100	39,534	0	2,356	222,852	0	0	0	0	39,534	0	2,356	222,852	22,286	64,176
COSTA RICA	0.0100	61,062	0	2,356	222,852	23,803	0	0	0	37,259	0	2,356	222,852	22,286	61,901
COTE D'IVOIRE	0.0200	0	0	4,270	403,926	0	0	393	37,216	0	0	3,877	366,710	36,671	40,548
CROATIA	0.1400	132,451	0	32,980	3,119,920	132,451	0	0	0	0	0	32,980	3,119,920	311,992	344,972
CUBA	0.1000	77,956	0	23,558	2,228,514	0	0	0	0	77,956	0	23,558	2,228,514	222,852	324,366
CYPRUS	0.0200	0	0	2,356	222,851	0	0	2,356	222,851	0	0	0	0	0	0
CZECH REPUBLIC	0.4400	0	0	51,826	4,902,733	0	0	51,826	4,902,733	0	0	0	0	0	0
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	0.0500	122,146	0	11,778	1,114,258	0	0	0	0	122,146	0	11,778	1,114,258	111,426	245,350
DENMARK	0.6800	0	0	80,094	7,576,951	0	0	80,094	7,576,951	0	0	0	0	0	0
DJIBOUTI	0.0100	20,170	0	2,356	222,852	0	0	0	0	20,170	0	2,356	222,852	22,286	44,812
DOMINICA	0.0100	18,147	0	2,356	222,852	0	0	0	0	18,147	0	2,356	222,852	22,286	42,789
DOMINICAN REPUBLIC	0.0200	173,670	0	4,712	445,702	0	0	0	0	173,670	0	4,712	445,702	44,570	222,952

Schedule 2.1

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					TOTAL
		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium			
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
ECUADOR	0.0300	40,623	0	7,068	668,554	6,854	0	0	0	33,769	0	7,068	668,554	66,856	107,693
EGYPT	0.0700	0	0	16,473	1,558,373	0	0	16,473	1,558,373	0	0	0	0	0	0
EL SALVADOR	0.0100	37,674	0	2,356	222,852	0	0	0	0	37,674	0	2,356	222,852	22,286	62,316
EQUATORIAL GUINEA	0.0100	53,034	0	2,356	222,852	0	0	0	0	53,034	0	2,356	222,852	22,286	77,676
ETHIOPIA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
FIJI	0.0100	34,264	0	2,356	222,852	34,264	0	2,356	222,852	0	0	0	0	0	0
FINLAND	0.6000	0	0	70,672	6,685,545	0	0	70,672	6,685,545	0	0	0	0	0	0
FRANCE	6.2900	0	0	740,874	70,086,796	0	0	740,874	70,086,796	0	0	0	0	0	0
GABON	0.0200	70,296	0	4,712	445,702	41,658	0	0	0	28,638	0	4,712	445,702	44,570	77,920
GAMBIA	0.0100	53,034	0	2,356	222,852	0	0	0	0	53,034	0	2,356	222,852	22,286	77,676
GEORGIA	0.2200	423,554	0	51,826	4,902,732	0	0	0	0	423,554	0	51,826	4,902,732	490,274	965,654
GERMANY	9.3700	0	0	1,103,655	104,405,927	0	0	1,103,655	104,405,927	0	0	0	0	0	0
GHANA	0.0100	0	0	2,343	221,563	0	0	1,964	185,759	0	0	379	35,804	3,580	3,959
GREECE	0.3700	0	0	44,285	4,189,302	0	0	24,992	2,364,217	0	0	19,293	1,825,085	182,509	201,802
GRENADA	0.0100	40,252	0	2,356	222,852	0	0	0	0	40,252	0	2,356	222,852	22,286	64,894
GUATEMALA	0.0200	82,031	0	4,712	445,702	0	0	0	0	82,031	0	4,712	445,702	44,570	131,313
GUINEA	0.0100	19,154	0	2,356	222,852	0	0	0	0	19,154	0	2,356	222,852	22,286	43,798
GUINEA-BISSAU	0.0100	49,591	0	2,356	222,852	0	0	0	0	49,591	0	2,356	222,852	22,286	74,233
GUYANA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
HAITI	0.0100	59,858	0	2,356	222,852	0	0	0	0	59,858	0	2,356	222,852	22,286	84,500
HONDURAS	0.0100	29,231	0	2,356	222,852	1,432	0	0	0	27,799	0	2,356	222,852	22,286	52,441
HUNGARY	0.1900	0	0	22,379	2,117,089	0	0	22,379	2,117,089	0	0	0	0	0	0
INDIA	0.3800	0	0	47,583	4,501,330	0	0	44,030	4,165,194	0	0	3,553	336,136	33,614	37,167

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					TOTAL
		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium			
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
INDONESIA	0.1700	0	0	20,024	1,894,238	0	0	20,024	1,894,238	0	0	0	0	0	0
IRAN (ISLAMIC REPUBLIC OF)	0.8100	0	0	163,169	15,435,718	0	0	56,221	5,318,466	0	0	106,948	10,117,252	1,011,726	1,118,674
IRAQ	0.1400	367,354	0	32,980	3,119,920	0	0	0	0	367,354	0	32,980	3,119,920	311,992	712,326
IRELAND	0.1900	0	0	22,379	2,117,089	0	0	22,379	2,117,089	0	0	0	0	0	0
ISRAEL	0.2400	0	0	28,269	2,674,218	0	0	28,269	2,674,218	0	0	0	0	0	0
ITALY	4.5000	0	0	530,037	50,141,587	0	0	530,037	50,141,587	0	0	0	0	0	0
JAMAICA	0.0100	7,252	0	2,356	222,852	7,252	0	2,323	219,712	0	0	33	3,140	314	347
JAPAN	13.0600	0	0	1,538,285	145,522,029	0	0	1,538,285	145,522,029	0	0	0	0	0	0
JORDAN	0.0100	43,910	0	2,356	222,852	43,910	0	2,356	222,852	0	0	0	0	0	0
KENYA	0.0100	28,891	0	2,356	222,852	21,279	0	0	0	7,612	0	2,356	222,852	22,286	32,254
KUWAIT	0.2600	0	0	30,624	2,897,069	0	0	0	0	0	0	30,624	2,897,069	289,707	320,331
KYRGYZSTAN	0.0600	60,508	0	14,134	1,337,108	0	0	0	0	60,508	0	14,134	1,337,108	133,710	208,352
LAO PEOPLE'S DEMOCRATIC REPUBLIC	0.0100	9,952	0	2,356	222,852	9,952	0	2,356	222,852	0	0	0	0	0	0
LEBANON	0.0100	0	0	1,178	111,426	0	0	0	0	0	0	1,178	111,426	11,143	12,321
LESOTHO	0.0100	0	0	2,354	222,628	0	0	2,354	222,628	0	0	0	0	0	0
LIBERIA	0.0100	20,170	0	2,356	222,852	0	0	0	0	20,170	0	2,356	222,852	22,286	44,812
LIBYAN ARAB JAMAHIRIYA	0.2500	681,910	0	58,892	5,571,288	681,910	0	4,950	468,285	0	0	53,942	5,103,003	510,300	564,242
LITHUANIA	0.1600	202,206	0	37,692	3,565,624	202,206	0	0	0	0	0	37,692	3,565,624	356,562	394,254
LUXEMBOURG	0.0600	0	0	7,067	668,554	0	0	7,067	668,554	0	0	0	0	0	0
MADAGASCAR	0.0100	14,482	0	2,356	222,852	0	0	0	0	14,482	0	2,356	222,852	22,286	39,124
MALAWI	0.0100	0	0	2,063	195,116	0	0	0	0	0	0	2,063	195,116	19,512	21,575

Schedule 2.1

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					TOTAL
		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium			
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
MALAYSIA	0.1300	732	0	30,624	2,897,070	732	0	30,624	2,897,070	0	0	0	0	0	0
MALDIVES	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
MALI	0.0100	64,614	0	2,356	222,852	54,622	0	0	0	9,992	0	2,356	222,852	22,286	34,634
MALTA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
MAURITANIA	0.0100	47,095	0	2,356	222,852	0	0	0	0	47,095	0	2,356	222,852	22,286	71,737
MAURITIUS	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
MEXICO	0.9200	0	0	111,348	10,533,595	0	0	111,169	10,516,676	0	0	179	16,919	1,692	1,871
MONGOLIA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
MOROCCO	0.0300	0	0	3,534	334,277	0	0	3,534	334,277	0	0	0	0	0	0
MOZAMBIQUE	0.0100	10,125	0	2,356	222,852	10,125	0	2,356	222,852	0	0	0	0	0	0
MYANMAR	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
NAMIBIA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
NEPAL	0.0100	15,173	0	2,356	222,852	15,173	0	231	21,884	0	0	2,125	200,968	20,097	22,222
NETHERLANDS	1.5700	0	0	184,924	17,493,843	0	0	184,924	17,493,843	0	0	0	0	0	0
NEW ZEALAND	0.2500	0	0	29,446	2,785,644	0	0	29,446	2,785,644	0	0	0	0	0	0
NICARAGUA	0.0100	64,614	0	2,356	222,852	0	0	0	0	64,614	0	2,356	222,852	22,286	89,258
NIGER	0.0100	28,922	0	2,356	222,852	0	0	0	0	28,922	0	2,356	222,852	22,286	53,564
NIGERIA	0.2100	259,277	0	49,470	4,679,882	57,595	0	0	0	201,682	0	49,470	4,679,882	467,988	719,140
NORWAY	0.5800	0	0	68,316	6,462,693	0	0	68,316	6,462,693	0	0	0	0	0	0
OMAN	0.0300	0	0	3,534	334,277	0	0	3,534	334,277	0	0	0	0	0	0
PAKISTAN	0.0600	5,644	0	14,134	1,337,108	5,644	0	11,249	1,064,161	0	0	2,885	272,947	27,295	30,180
PANAMA	0.0200	0	0	4,527	428,218	0	0	433	40,942	0	0	4,094	387,276	38,728	42,822
PAPUA NEW GUINEA	0.0100	19,370	0	2,356	222,852	19,370	0	2,356	222,852	0	0	0	0	0	0

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					TOTAL
		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium		Prior Bienniums		Current Biennium			
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
PARAGUAY	0.0200	100,730	0	4,712	445,702	100,730	0	442	41,842	0	0	4,270	403,860	40,386	44,856
PERU	0.0600	119,010	0	14,134	1,337,108	0	0	0	0	119,010	0	14,134	1,337,108	133,710	266,854
PHILIPPINES	0.0700	0	0	8,245	779,980	0	0	8,245	779,980	0	0	0	0	0	0
POLAND	0.4900	0	0	57,715	5,459,862	0	0	57,715	5,459,862	0	0	0	0	0	0
PORTUGAL	0.2100	0	0	24,757	2,342,002	0	0	24,757	2,342,002	0	0	0	0	0	0
QATAR	0.0500	0	0	5,889	557,129	0	0	561	53,065	0	0	5,328	504,064	50,406	55,734
REPUBLIC OF KOREA	0.7200	0	0	112,748	10,665,960	0	0	112,748	10,665,960	0	0	0	0	0	0
REPUBLIC OF MOLDOVA	0.1600	151,269	0	37,692	3,565,624	0	0	0	0	151,269	0	37,692	3,565,624	356,562	545,523
ROMANIA	0.1800	. 0	0	41,685	3,943,463	0	0	0	0	0	0	41,685	3,943,463	394,346	436,031
RUSSIAN FEDERATION	7.0400	5,070,142	0	1,658,426	156,887,456	5,070,142	0	647,134	61,219,064	0	0	1,011,292	95,668,392	9,566,839	10,578,131
RWANDA	0.0100	8,785	0	2,356	222,852	0	0	0	0	8,785	0	2,356	222,852	22,286	33,427
SAINT KITTS AND NEVIS	0.0100	35,493	0	2,356	222,852	35,493	0	225	21,307	0	0	2,131	201,545	20,155	22,286
SAINT LUCIA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
SAINT VINCENT AND THE GRENADINES	0.0100	44,394	0	2,356	222,852	0	0	0	0	44,394	0	2,356	222,852	22,286	69,036
SAO TOME AND PRINCIPE	0.0100	53,034	0	2,356	222,852	0	0	0	0	53,034	0	2,356	222,852	22,286	77,676
SAUDI ARABIA	1.0100	0	0	237,928	22,508,002	0	0	102,016	9,650,759	0	0	135,912	12,857,243	1,285,724	1,421,636
SENEGAL	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
SEYCHELLES	0.0100	39,294	0	2,356	222,852	0	0	0	0	39,294	0	2,356	222,852	22,286	63,936
SIERRA LEONE	0.0100	55,289	0	2,356	222,852	0	0	0	0	55,289	0	2,356	222,852	22,286	79,931
SLOVAKIA	0.1400	0	0	16,490	1,559,960	0	0	16,490	1,559,960	0	0	0	0	0	0
SLOVENIA	0.1000	0	0	23,558	2,228,514	0	0	23,558	2,228,514	0	0	0	0	0	0

Schedule 2.1

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995 — Prior Bienniums Dollar	Prior Bienniums Schilling	Current Biennium Dollar	Current Biennium Schilling	Credits and Collections in 1995 — Prior Bienniums Dollar	Prior Bienniums Schilling	Current Biennium Dollar	Current Biennium Schilling	Contributions Outstanding as of 31 December 1995 — Prior Bienniums Dollar	Prior Bienniums Schilling	Current Biennium Dollar	Current Biennium Schilling	Current Biennium $ Equiv.	TOTAL $ Equiv.
SOMALIA	0.0100	64,614	0	2,356	222,852	0	0	0	0	64,614	0	2,356	222,852	22,286	89,256
SPAIN	2.0800	0	0	244,995	23,176,556	0	0	244,995	23,176,556	0	0	0	0	0	0
SRI LANKA	0.0100	0	0	1,178	111,426	0	0	0	0	0	0	1,178	111,426	11,143	12,321
SUDAN	0.0100	19,551	0	2,356	222,852	16,400	0	0	0	3,151	0	2,356	222,852	22,286	27,793
SURINAME	0.0100	25,506	0	2,356	222,852	0	0	0	0	25,506	0	2,356	222,852	22,286	50,148
SWAZILAND	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
SWEDEN	1.1600	0	0	136,632	12,925,387	0	0	136,632	12,925,387	0	0	0	0	0	0
SWITZERLAND	1.2200	0	0	143,699	13,593,941	0	0	143,699	13,593,941	0	0	0	0	0	0
SYRIAN ARAB REPUBLIC	0.0400	80,588	0	9,422	891,406	0	0	0	0	80,588	0	9,422	891,406	89,140	179,150
TAJIKISTAN	0.0500	50,423	0	11,778	1,114,258	0	0	0	0	50,423	0	11,778	1,114,258	111,426	173,627
THAILAND	0.1200	0	0	14,134	1,337,109	0	0	14,134	1,337,109	0	0	0	0	0	0
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	0.0200	20,169	0	4,712	445,702	10	0	0	0	20,159	0	4,712	445,702	44,570	69,441
TOGO	0.0100	10,133	0	2,356	222,852	0	0	0	0	10,133	0	2,356	222,852	22,286	34,775
TONGA	0.0100	4,190	0	2,356	222,852	4,190	0	583	55,178	0	0	1,773	167,674	16,768	18,541
TRINIDAD AND TOBAGO	0.0500	91,899	0	11,778	1,114,258	0	0	0	0	91,899	0	11,778	1,114,258	111,426	215,103
TUNISIA	0.0300	0	0	3,534	334,277	0	0	0	0	0	0	3,534	334,277	33,428	36,962
TURKEY	0.2800	0	0	62,193	5,883,448	0	0	62,193	5,883,448	0	0	0	0	0	0
UGANDA	0.0100	10,123	0	2,356	222,852	10,000	0	0	0	123	0	2,356	222,852	22,286	24,765
UKRAINE	1.9600	2,558,134	0	461,722	43,678,894	2,558,134	0	45,138	4,270,071	0	0	416,584	39,408,823	3,940,883	4,357,467

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995 — Prior Biennium Dollar	Prior Biennium Schilling	Current Biennium Dollar	Current Biennium Schilling	Credits and Collections in 1995 — Prior Biennium Dollar	Prior Biennium Schilling	Current Biennium Dollar	Current Biennium Schilling	Contributions Outstanding as of 31 December 1995 — Prior Biennium Dollar	Prior Biennium Schilling	Current Biennium Dollar	Current Biennium Schilling	$ Equiv.	TOTAL $ Equiv.
UNITED ARAB EMIRATES	0.2200	889,137	0	51,826	4,902,732	741,362	0	0	0	147,775	0	51,826	4,902,732	490,274	689,875
UNITED KINGDOM	5.2600	0	0	619,554	58,609,944	0	0	619,554	58,609,944	0	0	0	0	0	0
UNITED REPUBLIC OF TANZANIA	0.0100	12,715	0	2,356	222,852	0	0	0	0	12,715	0	2,356	222,852	22,286	37,357
UNITED STATES OF AMERICA	25.0000	0	0	3,832,469	362,552,181	0	0	0	0	0	0	3,832,469	362,552,181	36,255,218	40,087,687
URUGUAY	0.0400	74,669	0	9,422	891,406	74,669	0	900	85,133	0	0	8,522	806,273	80,627	89,149
VANUATU	0.0100	15,360	0	2,356	222,852	0	0	0	0	15,360	0	2,356	222,852	22,286	40,002
VENEZUELA	0.5100	979,101	0	120,142	11,365,426	141,373	0	0	0	837,728	0	120,142	11,365,426	1,136,542	2,094,412
VIET NAM	0.0100	0	0	1,249	118,165	0	0	0	0	0	0	1,249	118,165	11,817	13,066
YEMEN	0.0100	81,823	0	2,356	222,852	19,595	0	0	0	62,228	0	2,356	222,852	22,286	86,870
YUGOSLAVIA	0.1500	1,057,888	0	35,336	3,342,772	0	0	0	0	1,057,888	0	35,336	3,342,772	334,278	1,427,502
ZAIRE	0.0100	38,698	0	2,356	222,852	0	0	0	0	38,698	0	2,356	222,852	22,286	63,340
ZAMBIA	0.0100	25,971	0	2,356	222,852	22,580	0	0	0	3,391	0	2,356	222,852	22,286	28,033
ZIMBABWE	0.0100	10,974	0	2,356	222,852	10,974	0	849	80,297	0	0	1,507	142,555	14,256	15,763
Sub-total 1 Member States	86-87	85,002	0	0	0	11,580	0	0	0	73,422	0	0	0	0	73,422
	88-89	428,333	0	0	0	187,952	0	0	0	240,381	0	0	0	0	240,381
	90-91	2,278,741	0	0	0	909,538	0	0	0	1,369,203	0	0	0	0	1,369,203
	92-93	14,562,902	0	0	0	9,376,710	0	0	0	5,186,192	0	0	0	0	5,186,192
	94-95	0	0	14,812,004	1,401,215,581	0	0	7,743,127	732,500,520	0	0	7,068,877	668,715,061	66,871,546	73,940,423
	T-	17,354,978	0	14,812,004	1,401,215,581	10,485,780	0	7,743,127	732,500,520	6,869,198	0	7,068,877	668,715,061	66,871,546	80,809,621

Schedule 2.1

Member State	Scale of assessment (percentage)	Contributions Payable 1 January 1995				Credits and Collections in 1995				Contributions Outstanding as of 31 December 1995					
		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium		Prior Biennium		Current Biennium			TOTAL
		Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	Dollar	Schilling	$ Equiv.	$ Equiv.
CAMBODIA	0.0100	0	0	1,178	111,426	0	0	0	0	0	0	1,178	111,426	11,143	12,321
CHAD	0.0100	8,752	0	0	0	0	0	0	0	8,752	0	0	0	0	8,752
COMOROS	0.0100	11,580	0	0	0	0	0	0	0	11,580	0	0	0	0	11,580
DJIBOUTI	0.0100	8,742	0	0	0	0	0	0	0	8,742	0	0	0	0	8,742
EL SALVADOR	0.0100	15,360	0	0	0	0	0	0	0	15,360	0	0	0	0	15,360
EQUATORIAL GUINEA	0.0100	11,580	0	0	0	0	0	0	0	11,580	0	0	0	0	11,580
ERITREA	0.0100	0	0	1,178	111,426	0	0	1,178	111,426	0	0	0	0	0	0
GAMBIA	0.0100	11,580	0	0	0	0	0	0	0	11,580	0	0	0	0	11,580
LIBERIA	0.0100	17,504	0	0	0	0	0	0	0	17,504	0	0	0	0	17,504
SAO TOME AND PRINCIPE	0.0100	11,580	0	0	0	0	0	0	0	11,580	0	0	0	0	11,580
TURKMENISTAN	0.0400	0	0	4,711	445,703	0	0	0	0	0	0	4,711	445,703	44,570	49,281
UZBEKISTAN	0.2600	0	0	61,248	5,794,138	0	0	691	65,334	0	0	60,557	5,728,804	572,881	633,438
Sub-total 2 New Member States	86-87	46,320	0	0	0	0	0	0	0	46,320	0	0	0	0	46,320
	88-89	15,360	0	0	0	0	0	0	0	15,360	0	0	0	0	15,360
	90-91	34,998	0	0	0	0	0	0	0	34,998	0	0	0	0	34,998
	94-95	0	0	68,315	6,462,693	0	0	1,869	176,760	0	0	66,446	6,285,933	628,594	695,040
	T-	96,678	0	68,315	6,462,693	0	0	1,869	176,760	96,678	0	66,446	6,285,933	628,594	791,718
TOTAL	86-87	131,322	0	0	0	11,580	0	0	0	119,742	0	0	0	0	119,742
	88-89	443,693	0	0	0	187,952	0	0	0	255,741	0	0	0	0	255,741
	90-91	2,313,739	0	0	0	909,538	0	0	0	1,404,201	0	0	0	0	1,404,201
	92-93	14,562,902	0	0	0	9,376,710	0	0	0	5,186,192	0	0	0	0	5,186,192
	94-95	0	0	14,880,319	1,407,678,274	0	0	7,744,996	732,677,280	0	0	7,135,323	675,000,994	67,500,140	74,635,463
	T-	17,451,656	0	14,880,319	1,407,678,274	10,485,780	0	7,744,996	732,677,280	6,965,876	0	7,135,323	675,000,994	67,500,140	81,601,339

STATUS OF ADVANCES TO THE WORKING CAPITAL FUND AS OF 31 DECEMBER 1995

(In US dollars)

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
AFGHANISTAN	0.0100	900	900	0	0
ALBANIA	0.0100	900	900	0	0
ALGERIA	0.1700	15,300	15,300	0	0
ANGOLA	0.0100	900	900	0	0
ARGENTINA	0.6000	54,000	51,736	2,264	0
ARMENIA	0.1400	12,600	0	0	12,600
AUSTRALIA	1.5800	142,200	142,200	0	0
AUSTRIA	0.7900	71,100	71,100	0	0
AZERBAIJAN	0.2300	20,700	0	0	20,700
BAHAMAS	0.0200	1,800	1,800	0	0
BAHRAIN	0.0300	2,700	2,700	0	0
BANGLADESH	0.0100	900	900	0	0
BARBADOS	0.0100	900	900	0	0
BELARUS	0.5000	45,000	28,626	16,374	0
BELGIUM	1.1100	99,900	99,900	0	0
BELIZE	0.0100	900	900	0	0
BENIN	0.0100	900	900	0	0
BHUTAN	0.0100	900	900	0	0
BOLIVIA	0.0100	900	900	0	0
BOSNIA AND HERZEGOVINA	0.0400	3,600	0	0	3,600
BOTSWANA	0.0100	900	900	0	0
BRAZIL	1.6700	150,300	150,300	0	0
BULGARIA	0.1400	12,600	12,600	0	0
BURKINA FASO	0.0100	900	621	0	279
BURUNDI	0.0100	900	900	0	0
CAMEROON	0.0100	900	900	0	0
CAPE VERDE	0.0100	900	900	0	0

Schedule 2.1

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
CENTRAL AFRICAN REPUBLIC	0.0100	900	900	0	0
CHAD	0.0100	900	0	0	900
CHILE	0.0800	7,200	7,200	0	0
CHINA	0.8100	72,900	72,900	0	0
COLOMBIA	0.1400	12,600	12,600	0	0
COMOROS	0.0100	900	8	0	892
CONGO	0.0100	900	900	0	0
COSTA RICA	0.0100	900	900	0	0
COTE D'IVOIRE	0.0200	1,800	1,800	0	0
CROATIA	0.1400	12,600	12,600	0	0
CUBA	0.1000	9,000	9,000	0	0
CYPRUS	0.0200	1,800	1,800	0	0
CZECH REPUBLIC	0.4400	39,600	39,600	0	0
DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA	0.0500	4,500	4,500	0	0
DENMARK	0.6800	61,200	61,200	0	0
DJIBOUTI	0.0100	900	900	0	0
DOMINICA	0.0100	900	900	0	0
DOMINICAN REPUBLIC	0.0200	1,800	64	0	1,736
ECUADOR	0.0300	2,700	2,700	0	0
EGYPT	0.0700	6,300	6,300	0	0
EL SALVADOR	0.0100	900	3	0	897
EQUATORIAL GUINEA	0.0100	900	8	0	892
ETHIOPIA	0.0100	900	900	0	0
FIJI	0.0100	900	900	0	0
FINLAND	0.6000	54,000	54,000	0	0
FRANCE	6.2900	566,100	566,100	0	0
GABON	0.0200	1,800	1,800	0	0
GAMBIA	0.0100	900	8	0	892

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
GEORGIA	0.2200	19,800	0	0	19,800
GERMANY	9.3700	843,300	843,300	0	0
GHANA	0.0100	900	900	0	0
GREECE	0.3700	33,300	33,300	0	0
GRENADA	0.0100	900	900	0	0
GUATEMALA	0.0200	1,800	1,800	0	0
GUINEA	0.0100	900	900	0	0
GUINEA-BISSAU	0.0100	900	900	0	0
GUYANA	0.0100	900	900	0	0
HAITI	0.0100	900	900	0	0
HONDURAS	0.0100	900	900	0	0
HUNGARY	0.1900	17,100	17,100	0	0
INDIA	0.3800	34,200	34,200	0	0
INDONESIA	0.1700	15,300	15,300	0	0
IRAN (ISLAMIC REPUBLIC OF)	0.8100	72,900	72,900	0	0
IRAQ	0.1400	12,600	11,056	0	1,544
IRELAND	0.1900	17,100	17,100	0	0
ISRAEL	0.2400	21,600	21,600	0	0
ITALY	4.5000	405,000	405,000	0	0
JAMAICA	0.0100	900	900	0	0
JAPAN	13.0600	1,175,400	1,175,400	0	0
JORDAN	0.0100	900	900	0	0
KENYA	0.0100	900	900	0	0
KUWAIT	0.2600	23,400	23,400	0	0
KYRGYZSTAN	0.0600	5,400	0	0	5,400
LAO PEOPLE'S DEMOCRATIC REPUBLIC	0.0100	900	900	0	0
LEBANON	0.0100	900	900	0	0
LESOTHO	0.0100	900	900	0	0
LIBERIA	0.0100	900	900	0	0

Schedule 2.1

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
LIBYAN ARAB JAMAHIRIYA	0.2500	22,500	22,162	338	0
LITHUANIA	0.1600	14,400	14,400	0	0
LUXEMBOURG	0.0600	5,400	5,400	0	0
MADAGASCAR	0.0100	900	900	0	0
MALAWI	0.0100	900	900	0	0
MALAYSIA	0.1300	11,700	11,700	0	0
MALDIVES	0.0100	900	900	0	0
MALI	0.0100	900	21	879	0
MALTA	0.0100	900	900	0	0
MAURITANIA	0.0100	900	900	0	0
MAURITIUS	0.0100	900	900	0	0
MEXICO	0.9200	82,800	82,800	0	0
MONGOLIA	0.0100	900	900	0	0
MOROCCO	0.0300	2,700	2,700	0	0
MOZAMBIQUE	0.0100	900	900	0	0
MYANMAR	0.0100	900	900	0	0
NAMIBIA	0.0100	900	900	0	0
NEPAL	0.0100	900	900	0	0
NETHERLANDS	1.5700	141,300	141,300	0	0
NEW ZEALAND	0.2500	22,500	22,500	0	0
NICARAGUA	0.0100	900	21	0	879
NIGER	0.0100	900	900	0	0
NIGERIA	0.2100	18,900	18,409	491	0
NORWAY	0.5800	52,200	52,200	0	0
OMAN	0.0300	2,700	2,700	0	0
PAKISTAN	0.0600	5,400	5,400	0	0
PANAMA	0.0200	1,800	1,800	0	0
PAPUA NEW GUINEA	0.0100	900	900	0	0
PARAGUAY	0.0200	1,800	1,800	0	0

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
PERU	0.0600	5,400	5,400	0	0
PHILIPPINES	0.0700	6,300	6,300	0	0
POLAND	0.4900	44,100	44,100	0	0
PORTUGAL	0.2100	18,900	18,900	0	0
QATAR	0.0500	4,500	4,500	0	0
REPUBLIC OF KOREA	0.7200	64,800	64,800	0	0
REPUBLIC OF MOLDOVA	0.1600	14,400	0	0	14,400
ROMANIA	0.1800	16,200	16,200	0	0
RUSSIAN FEDERATION	7.0400	633,600	633,600	0	0
RWANDA	0.0100	900	900	0	0
SAINT KITTS AND NEVIS	0.0100	900	900	0	0
SAINT LUCIA	0.0100	900	900	0	0
SAINT VINCENT AND THE GRENADINES	0.0100	900	900	0	0
SAO TOME AND PRINCIPE	0.0100	900	8	0	892
SAUDI ARABIA	1.0100	90,900	87,574	3,326	0
SENEGAL	0.0100	900	900	0	0
SEYCHELLES	0.0100	900	900	0	0
SIERRA LEONE	0.0100	900	900	0	0
SLOVAKIA	0.1400	12,600	12,600	0	0
SLOVENIA	0.1000	9,000	8,100	900	0
SOMALIA	0.0100	900	21	0	879
SPAIN	2.0800	187,200	187,200	0	0
SRI LANKA	0.0100	900	900	0	0
SUDAN	0.0100	900	900	0	0
SURINAME	0.0100	900	900	0	0
SWAZILAND	0.0100	900	900	0	0
SWEDEN	1.1600	104,400	104,400	0	0
SWITZERLAND	1.2200	109,800	109,800	0	0
SYRIAN ARAB REPUBLIC	0.0400	3,600	3,600	0	0

Schedule 2.1

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
TAJIKISTAN	0.0500	4,500	0	0	4,500
THAILAND	0.1200	10,800	10,800	0	0
THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA	0.0200	1,800	0	1,800	0
TOGO	0.0100	900	900	0	0
TONGA	0.0100	900	900	0	0
TRINIDAD AND TOBAGO	0.0500	4,500	4,500	0	0
TUNISIA	0.0300	2,700	2,700	0	0
TURKEY	0.2800	25,200	25,200	0	0
UGANDA	0.0100	900	900	0	0
UKRAINE	1.9600	176,400	108,011	68,389	0
UNITED ARAB EMIRATES	0.2200	19,800	19,288	512	0
UNITED KINGDOM	5.2600	473,400	473,400	0	0
UNITED REPUBLIC OF TANZANIA	0.0100	900	900	0	0
UNITED STATES OF AMERICA	25.0000	2,250,000	2,250,000	0	0
URUGUAY	0.0400	3,600	3,600	0	0
VANUATU	0.0100	900	900	0	0
VENEZUELA	0.5100	45,900	45,370	530	0
VIET NAM	0.0100	900	900	0	0
YEMEN	0.0100	900	900	0	0
YUGOSLAVIA	0.1500	13,500	13,500	0	0
ZAIRE	0.0100	900	900	0	0
ZAMBIA	0.0100	900	900	0	0
ZIMBABWE	0.0100	900	900	0	0
Sub-total (165 States)	**100.000**	**9,000,000**	**8,812,515**	**95,803**	**91,682**

Member State	Scale of assessment (percentage)	Amount of Advance	Collections 1986-1994	Collections in 1995	Amount outstanding to date
CAMBODIA	0.0100	900	0	0	900
ERITREA	0.0100	900	0	900	0
TURKMENISTAN	0.0400	3,600	0	0	3,600
UZBEKISTAN	0.2600	23,400	0	23,400	0
Sub-total (4 States)	**0.3200**	**28,800**	**0**	**24,300**	**4,500**
T O T A L (169 States)	**100.320**	**9,028,800**	**8,812,515**	**120,103**	**96,182**

Schedule 2.2

UNIDF/IDF statement of pledges and receipts, as at 31 December 1995
(In US dollars)

Country / organization	Unpaid balances/ advances by donors brought forward from UNIDF 1.1.86	Adjust-ments to prior pledges	IDF firm pledges for				Collections in a/		Exchange adjust-ments	Unpaid balance	Advances by donors
			1986-1993	1994	1995	1996 and future years	1986-1994	1995			
					General-purpose convertible						
Afghanistan	1,500	0	3,000	0	0	0	4,500	0	0	0	0
Algeria	0	0	25,000	0	0	0	25,000	0	0	0	0
Angola	10,000	0	20,000	0	0	0	30,000	0	0	0	0
Argentina	0	150,000	0	0	0	0	149,990	0	10	0	0
Austria	0	0	963,652	170,023	206,186	0	1,169,889	206,186	(36,214)	0	0
Bahrain	5,000	0	0	0	0	0	5,000	0	0	0	0
Bangladesh	0	0	20,148	2,420	2,420	2,420	17,695	2,420	34	7,259	0
Barbados	0	0	20,000	0	0	0	20,000	0	0	0	0
Bhutan	1,320	0	1,450	0	0	0	2,770	0	0	0	0
Bolivia	2,000	0	17,313	0	0	0	14,313	0	0	5,000	0
Brazil	15,000	0	15,000	0	0	0	30,000	0	0	0	0
Burkina Faso	0	0	13,594	0	0	0	13,594	0	0	0	0
Cameroon	0	0	2,985	0	0	0	0	0	953	2,032	0
Chile	0	0	40,000	0	0	0	30,000	0	0	10,000	0
Colombia	1,425	40	40,160	0	0	0	41,416	0	0	209	0
Congo	11,426	0	0	0	0	0	3,400	0	76	7,950	0
Costa Rica	8,080	0	20,000	0	0	0	27,635	0	0	445	0
Cyprus	0	0	4,187	0	0	0	4,496	0	(309)	0	0
Czechoslovakia	0	0	65,501	0	0	0	65,501	0	0	0	0
Czech Republic	0	0	25,000	25,000	25,000	49,430	50,000	25,000	0	49,430	0
Democratic Rep of Korea	0	0	65,577	0	0	0	64,966	0	611	0	0
Dominica	0	0	3,852	0	0	0	3,840	0	12	0	0
Ecuador	5,440	0	56,235	0	0	0	49,835	0	0	11,840	0
Egypt	0	0	2,000	0	0	0	2,000	0	0	0	0
Ethiopia	0	0	1,111	1,013	0	0	1,111	0	0	1,013	0
Fiji	0	0	1,009	0	0	0	0	0	218	791	0
Germany	0	0	18,736	0	0	0	18,736	0	0	0	0
Ghana	0	0	5,000	0	0	0	0	0	0	5,000	0
Greece	36,000	0	0	0	0	0	36,000	0	0	0	0
Grenada	0	0	5,000	0	0	0	0	0	0	5,000	0
Guatemala	0	0	32,422	0	0	0	5,000	0	6,932	20,490	0
Guinea	0	(108,600)	0	0	0	0	(108,600)	0	0	0	0
Guyana	723	509	7,208	0	0	0	4,000	0	660	3,780	0
Haiti	0	0	5,000	0	0	0	5,000	0	0	0	0
Honduras	0	0	15,000	0	0	0	14,371	0	629	0	0
Hungary	0	0	113,087	26,328	19,273	0	103,155	21,000	18,593	15,940	0
India	500,000	0	2,000,000	250,000	250,000	250,000	2,750,000	250,000	0	250,000	0
Indonesia	0	0	60,000	10,000	10,000	0	70,000	10,000	0	0	0
Iraq	161,291	0	0	0	0	0	0	0	0	161,291	0
Italy	0	0	900,000	300,000	300,000	0	1,200,000	300,000	0	0	0
Jamaica	4,000	0	8,000	0	0	0	12,000	0	0	0	0
Kenya	10,000	0	32,994	0	0	0	10,348	0	21,972	10,674	0
Kuwait	0	0	150,000	0	0	0	0	0	0	150,000	0
Lao People's Democratic Republic	1,500	0	1,500	0	0	0	1,500	0	0	1,500	0

Country / organization	Unpaid balances/ advances by donors brought forward from UNIDF 1.1.86	Adjust-ments to prior pledges	IDF firm pledges for				Collections in a		Exchange adjust-ments	Unpaid balance	Advances by donors
			1986-1993	1994	1995	1996 and future years	1986-1994	1995			
			General-purpose convertible (continued)								
Lesotho	0	1,308	6,211	0	0	0	7,360	0	159	0	0
Luxembourg	0	0	75,665	0	0	0	77,914	0	(2,249)	0	0
Madagascar	0	0	6,431	0	0	0	4,731	258	1,442	0	0
Malawi	0	0	7,166	0	0	0	5,097	0	1,793	276	0
Malaysia	450	0	160,000	20,000	20,000	20,000	160,450	40,000	0	20,000	0
Mali	2,611	0	0	0	0	0	0	0	578	2,033	0
Malta	0	0	800	0	1,000	0	400	1,000	0	400	0
Mauritius	0	0	6,458	9,000	4,500	0	14,786	4,500	107	565	0
Mexico	0	4,503	15,000	0	0	0	19,503	0	0	0	0
Mongolia	0	0	13,364	0	109	0	12,146	128	1,199	0	0
Morocco	5,038	5,010	5,000	0	0	0	13,421	0	1,627	0	0
Mozambique	4,925	0	5,063	0	0	0	5,563	0	4,425	0	0
Myanmar	0	0	6,040	0	0	0	5,998	0	42	0	0
Nepal	0	0	4,900	0	0	0	4,900	0	0	0	0
Netherlands	0	0	657,895	0	0	0	673,975	0	(16,080)	0	0
Nicaragua	0	0	2,350	0	0	0	2,350	0	0	0	0
Nigeria	50,000	0	0	0	0	0	0	0	0	50,000	0
Oman	12,000	0	12,000	0	0	0	12,000	0	0	12,000	0
Pakistan	0	0	48,933	0	0	0	48,933	0	0	0	0
Panama	0	0	6,000	0	0	0	2,000	0	0	4,000	0
Papua New Guinea	0	0	12,871	0	0	0	14,773	0	(1,902)	0	0
Paraguay	30,000	0	0	0	0	0	24,000	0	0	6,000	0
Peru	25,000	0	0	0	0	0	5,000	0	0	20,000	0
Philippines	6,006	0	24,356	10,909	10,000	0	41,271	10,000	0	0	0
Portugal	0	0	30,000	0	0	0	30,000	0	0	0	0
Republic of Korea	0	0	226,000	0	0	0	226,000	0	0	0	0
Romania	0	0	7,528	0	0	0	6,870	0	658	0	0
Rwanda	0	0	20,000	0	0	0	20,000	0	0	0	0
Saint Vincent and the Grenadines	0	0	1,500	0	0	0	1,500	0	0	0	0
Saudi Arabia	0	0	3,000,000	0	0	0	3,000,000	0	0	0	0
Senegal	29,113	0	4,000	0	0	0	33,113	0	0	0	0
Sierra Leone	94	3,184	5,891	0	0	0	9,167	0	2	0	0
Somalia	2,467	0	0	0	0	0	0	0	67	2,400	0
Sri Lanka	0	0	25,998	3,333	3,333	0	29,295	3,333	36	0	0
Sudan	102,712	0	0	0	0	0	35,180	0	0	67,532	0
Suriname	2,000	0	0	0	0	0	0	0	0	2,000	0
Swaziland	1,532	1,802	8,591	0	0	0	10,931	0	(105)	1,099	0
Syrian Arab Republic	0	5,372	13,357	1,617	1,617	0	20,346	1,617	0	0	0
Thailand	0	0	174,168	23,500	23,500	0	197,736	23,500	(68)	0	0
Togo	3,916	0	6,514	0	0	0	9,346	0	68	1,016	0
Trinidad and Tobago	0	8,375	50,329	0	0	0	60,379	0	(1,675)	0	0
Tunisia	0	0	113,961	0	0	0	111,274	0	2,687	0	0
Uganda	1,000	1,000	9,000	0	0	0	2,000	0	0	9,000	0
United Republic of Tanzania	0	0	4,437	0	0	0	3,516	0	901	20	0
Venezuela	0	0	11,467	0	0	0	11,467	0	0	0	0
Viet Nam	1,000	0	0	0	0	0	1,000	0	0	0	0
Yemen	0	0	12,400	2,000	0	2,000	4,007	0	(7)	12,400	0
Zaire	3,000	0	113,000	0	0	0	0	0	0	116,000	0
Zambia	517	0	24,735	0	0	0	21,745	0	3,507	0	0
Zimbabwe	0	8,075	55,010	1,534	0	0	60,419	0	3,105	1,095	0

Country / organization	Unpaid balances/ advances by donors brought forward from UNIDF 1.1.86	Adjust-ments to prior pledges	IDF firm pledges for 1986-1993	1994	1995	1996 and future years	Collections in a/ 1986-1994	1995	Exchange adjust-ments	Unpaid balance	Advances by donors
					General-purpose convertible (continued)						
Organizations											
Computech Engineering Services Inc., USA	0	0	30,000	0	0	0	30,000	0	0	0	0
Cooperation Council for the Arab States of the Gulf (GCC)	0	0	11,587	0	0	0	0	0	0	11,587	0
Cordecruz, Bolivia	0	0	22,017	0	0	0	22,017	0	0	0	0
King Abdulaziz City for Science and Technology, Saudi Arabia	0	0	32,760	0	0	0	29,868	0	0	2,892	0
S.G.des Eaux Minerales de Vittel, France	0	0	3,108	0	0	0	3,108	0	0	0	0
Total	**1,058,086**	**80,578**	**9,874,582**	**856,677**	**876,938**	**323,850** 0	**11,095,316**	**898,942**	**14,494**	**1,061,959**	**0**
					Special-purpose convertible						
Australia	(68,815)	0	168,664	117,075	3,324	0	206,590	0	0	13,658	0
Austria	(121,788)	0	8,293,444	1,479,879	3,181,553	3,494,584	13,059,589	2,381,566	0	886,517	0
Bahrain	0	0	0	0	64,848	589,911	0	300,000	0	354,759	0
Belgium	(480,520)	0	5,397,657	421,291	895,657	639,353	5,479,760	1,345,692	0	47,986	0
Brazil	0	0	226,099	0	0	0	256,000	0	0	0	(29,901)
Bulgaria	0	0	3,333	0	0	0	3,333	0	0	0	0
China	(289,639)	0	2,010,647	538,295	365,027	44,089	3,128,571	0	0	0	(460,152)
Costa Rica	0	0	36,481	66,820	73,770	0	35,843	60,606	0	80,622	0
Côte d'Ivoire	108,765	0	0	0	0	0	0	0	0	108,765	0
Czech Republic b/	0	0	0	0	0	0	77,650	6,718	0	0	(84,368)
Democratic People's Rep. of Korea	0	0	0	0	183,670	46,330	196,748	33,175	0	77	0
Denmark	0	0	3,372,917	1,492,056	1,578,790	1,969,279	5,121,723	2,085,593	0	1,205,726	0
Egypt	(190,893)	0	292,611	0	0	0	0	0	0	101,718	0
Finland	(259,801)	0	2,570,376	374,494	379,147	0	3,057,347	50,000	0	0	(43,131)
France (Ministere des Affaires d'Agriculture)	0	0	4,409,306	305,672	431,721	204,392	5,834,441	0	0	0	(483,350)
France (Ministere des Affaires Etrangeres)	(817,302)	0	17,956,299	2,277,604	2,926,221	90,619	19,632,469	75,048	0	2,725,924	0
Germany	(1,807,841)	0	35,073,175	5,113,903	6,436,808	7,867,639	41,016,029	4,031,437	0	7,636,218	0
Greece	0	0	332,693	208,454	386,906	367,180	564,844	360,989	0	369,400	0
Hungary	5,597	0	(617)	0	0	0	4,980	0	0	0	0
India	79,685	0	1,107,205	899,357	1,433,166	412,670	2,550,000	550,000	0	832,083	0
Iran, Islamic Republic of	0	0	375,333	0	0	0	373,268	0	0	2,065	0
Italy	(597,640)	0	46,501,118	4,040,638	4,697,110	3,048,397	48,342,917	5,467,784	0	3,878,922	0
Japan	(662,483)	0	17,257,212	3,237,732	5,071,735	2,913,244	21,748,160	5,922,285	0	146,995	0
Malta	31,628	0	(31,628)	0	0	0	0	0	0	0	0
Netherlands	(292,528)	0	2,499,575	737,395	2,525,699	696,298	5,810,844	(13,788)	0	369,383	0
New Zealand	0	0	0	0	85,000	0	0	85,000	0	0	0
Norway	(282)	0	1,452,829	237,069	458,446	347,462	2,311,997	50,000	0	133,527	0
Poland	0	0	50,774	107,216	87,381	186,679	156,486	110,000	0	165,564	0
Portugal	0	0	0	0	479,260	0	234,866	62,850	0	181,544	0
Republic of Korea	0	0	1,625,062	210,824	26,311	0	2,080,994	0	0	0	(218,797)
Romania	0	0	0	0	0	0	2,381	0	0	0	(2,381)

Country / organization	Unpaid balances/ advances by donors brought forward from UNIDF 1.1.86	Adjust-ments to prior pledges	IDF firm pledges for 1986-1993	1994	1995	1996 and future years	Collections in a/ 1986-1994	1995	Exchange adjust-ments	Unpaid balance	Advances by donors
					Special-purpose convertible (continued)						
Saudi Arabia	0	0	914,883	192,796	574,577	0	2,828,413	(300,000)	0	0	(846,157)
Slovakia	0	0	0	0	0	0	9,710	0	0	0	(9,710)
Spain	(38,245)	0	66,446	0	0	0	30,357	(2,156)	0	0	0
Sweden	72,067	0	1,353,096	3,681	57,323	0	1,218,394	0	0	267,773	0
Switzerland	(1,608,536)	0	12,611,543	2,203,793	3,875,528	4,192,518	15,597,113	2,770,751	0	2,906,982	0
Turkey	0	0	0	0	265,974	233,089	25,000	279,487	0	194,576	0
United Kingdom	(150,310)	0	6,928,576	0	0	0	6,786,160	0	0	0	(7,894)
Venezuela	0	0	202,514	15,470	0	0	193,714	0	0	24,270	0
Yemen	(2,474)	0	1,249	0	0	0	(1,225)	0	0	0	0
Yugoslavia	(1,041)	0	0	0	0	0	(1,041)	0	0	0	0
Multi-donor projects	0	0	(108,684)	29,303	91,603	1	0	0	0	12,223	0
Organizations											
African Institute for Higher Technology Training and Research, Kenya	1,253	0	(5,564)	0	0	0	(4,311)	0	0	0	0
Agence de Cooperation Culturelle et Technique (ACCT), Paris		0	103,141	60,009	91,226	99,583	171,675	183,226	0	0	(942)
Agence Wallonne a l'Exportation, Brussels		0	0	88,469	173,299	80,454	169,274	167,241	0	5,707	0
Apple Computer, USA	0	0	27,531	0	0	0	27,531	0	0	0	0
Arab Industrial Development and Mining Organization	(19,877)	0	26,997	59,770	230	0	67,030	0	0	90	0
Banque Ouest Africaine de developpement (BOAD), Togo	0	0	2,800	0	0	0	2,800	0	0	0	0
Caritas, Vienna	0	0	28,920	(1,065)	0	0	27,855	0	0	0	0
Chiyoda Corporation	0	0	99,598	0	0	0	99,598	0	0	0	0
Convention to Combat Desertification(INCD)	0	0	0	39,094	(94)	0	39,000	0	0	0	0
Corporacion Andina de Fomento (CAF)	0	0	602,826	(5,349)	0	0	627,918	0	0	0	(30,441)
Egyptian Iron and Steel Co	(10,576)	0	5,863	0	0	0	(4,713)	0	0	0	0
Gaz de France, Paris	0	0	17,967	0	0	0	17,967	0	0	0	0
Instituto Tecnologico y de Estudios Superiores de Monterrey		0	0	30,837	19,163	0	50,000	0	0	0	0
Inverni della Beffa, Italy	0	0	27,950	0	0	0	34,694	0	0	0	(6,744)
Kuwait Institute for Higher Technical Training and Research	(48,229)	0	74,665	0	0	0	0	0	0	26,436	0
Montreal Protocol Fund			763,517	2,683,858	21,323,807	32,011,998	39,607,146	36,329,183	0	0	(19,153,149)
Nobel Chematur, Sweden	0	0	9,040	0	0	0	9,040	0	0	0	0
Saudi Consulting House, Saudi Arabia	0	0	11,412	0	0	0	11,412	0	0	0	0
S.G des Eaux Minerales de Vittel, France	0	0	23,351	0	0	0	33,715	(3,728)	0	0	(6,636)
UNDCP			618,302	2,553,369	1,594,487	0	2,415,000	2,265,000	0	86,158	0
Total	**(7,169,825)**	**0**	**175,388,504**	**29,819,809**	**59,838,673**	**59,535,769**	**251,377,056**	**64,653,959**	**0**	**22,765,668**	**(21,383,753)**
					Non-convertible						
Bulgaria	(222,203)	0	408,603	0	0	0	455,892	0	0	0	(269,492)
China	(54,661)	0	484,418	13,881	19,400	0	732,690	41,128	0	0	(310,780)
Cuba	(219,864)	0	263,460	(28,000)	0	0	250,185	0	0	0	(234,589)
Czech Republic b/	(78)	0	2,484,092	342,461	381,680	0	2,938,760	381,679	0	0	(112,284)
Egypt	21,793	0	34,894	0	0	0	72,492	0	0	0	(15,805)

Country / organization	Unpaid balances/ advances by donors brought forward from UNIDF 1.1.86	Adjust-ments to prior pledges	IDF firm pledges for				Collections in a/		Exchange adjust-ments	Unpaid balance	Advances by donors
			1986-1993	1994	1995	1996 and future years	1986-1994	1995			
					Non-convertible (continued)						
Hungary	(1,360)	0	987,930	90,371	145,733	24,925	1,470,001	(20,602)	0	0	(201,800)
India	(399,558)	0	2,121,778	883,653	803,764	157,000	4,554,439	201,347	0	0	(1,189,149)
Islamic Rep. of Iran	0	0	56,667	0	0	0	66,667	0	0	0	(10,000)
Mongolia	(15,925)	0	0	0	0	0	0	(127)	0	0	(15,798)
Pakistan	(98,888)	0	98,520	0	0	0	76,046	0	0	0	(76,414)
Poland	(26,495)	0	1,554,698	166,952	264,784	580,003	2,015,024	266,687	0	258,231	0
Romania	(2,471)	0	204,942	(60,447)	0	0	195,895	0	0	0	(53,871)
Russian Federation	(402,605)	0	4,773,429	0	0	0	5,342,774	0	0	0	(971,950)
Slovakia	0	0	0	0	0	0	110,899	79,583	0	0	(190,482)
Turkey	(2,258)	0	1,491,607	16,238	170,742	0	1,987,707	185,900	0	0	(497,278)
Yugoslavia	(57,228)	0	273,780	0	0	0	703,819	0	0	0	(487,267)
Organizations											
Egyptian Iron and Steel Co.	(26,747)	0	(5,195)	0	0	0	0	0	0	0	(31,942)
Technology Information, Forecasting and Assessment Council (TIFAC), New Delhi	0	0	0	3,205	0	0	0	3,205	0	0	0
Total	**(1,508,648)**	**0**	**16,233,623**	**1,428,314**	**1,786,103**	**761,928**	**20,973,290**	**1,138,800**	**0**	**258,231**	**(4,668,901)**
Grand total	**(7,620,287)**	**80,678**	**200,496,709**	**32,104,800**	**62,501,714**	**60,621,547**	**283,446,662**	**66,691,701**	**14,494**	**24,085,858**	**(26,052,654)**

a/ Negative amounts denote repayments to donors.
b/ Up to December 1992, former Czechoslovakia.

Statement III

GENERAL FUND and WORKING CAPITAL FUND
Statement of cash flow for the biennium 1994-1995 as at 31 December 1995
(In thousands of United States dollars)

			Total
Cash flows from operating activities			
Net excess (shortfall) of income over expenditure (Statement I)		31,405.8	
(Increase) decrease in contributions receivable		(41,669.3)	
(Increase) decrease other accounts receivable		(5,744.4)	
Increase (decrease) in contributions or payments received in advance		1,432.1	
Increase (decrease) in unliquidated obligations		5,869.1	
Increase (decrease) in accounts payable		(1,455.6)	
Increase (decrease) in other liabilities		950.5	
Less Interest income	2,880.0		
Currency exchange adjustments	2,507.9	5,387.9	
Net cash from operating activities			(14,599.7)
Cash flows from investing and financing activities			
Increase (decrease) in interfund balances		2,314.0	
Increase (decrease) in borrowings		(2,000.0)	
Plus Interest income	2,880.0		
Currency exchange adjusments	2,507.9	5,387.9	
Net cash from investing and financing activities			5,701.9
Cash flows from other sources			
Savings on or cancellation of prior period's obligations		3,675.2	
Transfers to (from) reserves		8,755.6	
Transfers (to) from other funds			
Increase (decrease) of credits to Member States		(6,633.8)	
Net cash from other sources			5,797.0
Net increase (decrease) in cash			(3,100.8)
Cash at beginning of period			17,016.7
Cash at end of period (Statement II)			13,915.9

Statement IV

GENERAL FUND

Status of appropriations by major programme for the biennium 1994-1995 as at 31 December 1995 (note 2(a)(i))

(In thousands of United States dollars)

Major Programme	Original appropriation	Transfers/ other adjustments	Revised appropriation	Disbursements during biennium	Unliquidated obligations as at 31/12/95	Total expenditure	Balance of appropriations
Policy-making Organs	2,231.7	3,852.6	6,084.3	2,997.6	1,491.5	4,489.1	1,595.2
General Management	10,944.0	2,364.4	13,308.4	13,052.2	1,443.0	14,495.2	(1,186.8)
Country Strategy and Programme Development	19,800.1	2,398.3	22,198.4	20,841.9	1,455.4	22,297.3	(98.9)
Mobilization and Management of Financial Resources	7,253.4	2,325.1	9,578.5	8,694.7	544.8	9,239.5	339.0
Information and Research	14,675.5	3,031.0	17,706.5	14,867.4	1,276.2	16,143.6	1,562.9
Human Resources, Enterprise and Private Sector Development	11,545.7	2,048.7	13,594.4	11,517.8	1,135.8	12,653.6	940.8
Industrial Subsector Development and Environment	21,804.0	3,823.4	25,627.4	20,278.6	742.9	21,021.5	4,605.9
Investment and Technology Promotion	17,590.2	2,250.5	19,840.7	17,658.8	1,192.8	18,851.6	989.1
Common Programmes	17,178.0	4,406.7	21,584.7	14,267.1	3,954.9	18,222.0	3,362.7
Operational Support Services	6,461.4	(143.3)	6,318.1	6,336.3	418.1	6,754.4	(436.3)
Joint and Common Services	64,584.4	7,500.3	72,084.7	55,875.0	6,323.0	62,198.0	9,886.7
Administration	35,251.8	6,285.6	41,537.4	35,638.6	3,534.8	39,173.4	2,364.0
Total A	229,320.2	40,143.3	269,463.5	222,026.0	23,513.2	245,539.2	23,924.3

Income	Approved estimates 1994-1995			Actual income	Accrued income	Total income	(Excess) shortfall
Operational Support Services	249.0	45.8	294.8	137.5		137.5	157.3
Joint and Common Services	28,743.6	4,330.7	33,074.3	29,778.1	3,234.7	33,012.8	61.5
Administration	2,422.0	457.4	2,879.4	1,956.6		1,956.6	922.8
Other income							
(i) Estimated in GC 5/Dec.18	1,595.3	178.6	1,773.9	3,013.9		3,013.9	(1,240.0)
(ii) Not estimated in GC 5/Dec.18				3,030.4		3,030.4	(3,030.4)
Total B	33,009.9	5,012.5	38,022.4	37,916.5	3,234.7	41,151.2	(3,128.8)
Total A-B	196,310.3	35,130.8	231,441.1	184,109.5	20,278.5	204,388.0	27,053.1

Schedule 4.1

GENERAL FUND

Status of appropriations by major object of expenditure for the biennium 1994-1995 as at 31 December 1995 (note 2(a)(i))

(In thousands of United States dollars)

Major object of expenditure	Original appropriation	Transfers/ other adjustments	Revised appropriation	Disbursements during 1994-1995	Unliquidated obligations as at 31/12/95	Total expenditure	Balance of appropriations
Salaries and common staff costs	161,415.6	20,216.3	181,631.9	158,928.9	10,542.0	169,470.9	12,161.0
Travel on official business	4,022.7	505.7	4,528.4	2,769.6	352.2	3,121.8	1,406.6
Contractual services	794.6	9.3	803.9	688.1	184.7	872.8	(68.9)
General operating expenses	29,078.9	4,488.1	33,567.0	26,033.7	3,512.7	29,546.4	4,020.6
Supplies and materials	1,092.6	199.9	1,292.5	633.5	237.6	871.1	421.4
Acquisition of furniture and equipment	1,352.2	1,455.3	2,807.5	1,023.0	1,092.3	2,115.3	692.2
Acquisition and improvement of premises		300.0	300.0	175.0	125.0	300.0	
Technical cooperation	11,778.6	2,107.9	13,886.5	9,564.3	2,984.3	12,548.6	1,337.9
EDP non-staff costs	7,174.3	1,366.5	8,540.8	7,770.4	652.1	8,422.5	118.3
Other expenditures	12,610.7	9,494.3	22,105.0	14,439.5	3,830.3	18,269.8	3,835.2
Total A	229,320.2	40,143.3	269,463.5	222,026.0	23,513.2	245,539.2	23,924.3

Income	Approved estimates 1994-1995			Actual income	Accrued income	Total income	(Excess) shortfall
Salaries and common staff costs	15,077.2	1,621.5	16,698.7	16,108.3	1,259.4	17,367.7	(669.0)
Travel on official business	27.0	(5.9)	21.1	7.3		7.3	13.8
General operating expenses	15,144.7	3,001.9	18,146.6	14,950.3	1,712.2	16,662.5	1,484.1
Supplies and materials	205.5	37.5	243.0	146.2	52.1	198.3	44.7
Acquisition of furniture and equipment	556.7	103.7	660.4	262.4	205.2	467.6	192.8
EDP non-staff costs	400.2	76.1	476.3	392.4		392.4	83.9
Other expenditure	3.3	(0.9)	2.4	5.3	5.8	11.1	(8.7)
Total B	31,414.6	4,833.9	36,248.5	31,872.2	3,234.7	35,106.9	1,141.6
Other income							
(i) Estimated in GC.5/Dec.18	1,595.3	178.6	1,773.9	3,013.9		3,013.9	(1,240.0)
(ii) Not estimated in GC.5/Dec.18				3,030.4		3,030.4	(3,030.4)
Total C	1,595.3	178.6	1,773.9	6,044.3		6,044.3	(4,270.4)
Total A-B-C	196,310.3	35,130.8	231,441.1	184,109.5	20,278.5	204,388.0	27,053.1

Annex III

NOTES TO THE FINANCIAL STATEMENTS

Preface

UNIDO MISSION STATEMENT

UNIDO is the specialist agency of the United Nations dedicated to promoting sustainable industrial development in countries with developing and transition economies.

UNIDO harnesses the joint forces of government and the private sector to foster competitive industrial production, develop international industrial partnerships and promote socially equitable and environmentally friendly industrial development.

UNIDO is the only world-wide organization dealing with industry from a development perspective. Its services are non-profit, neutral and specialized. Its staff are highly qualified with the widest range and depth of required industrial expertise. UNIDO acts as a catalyst to help generate national economic wealth and raise industrial capacity through its roles as a world-wide forum for industrial development and as a provider of technical cooperation services.

UNIDO's ultimate goal is to create a better life for people by laying the industrial foundations for long-term prosperity and economic strength.

Note 1. Summary of significant accounting policies

The following are the significant accounting policies of UNIDO:

(a) UNIDO's accounts are maintained in accordance with the Financial Regulations of UNIDO as adopted by the General Conference, the rules formulated thereunder, administrative instructions in force as at the date of conversion of UNIDO into a specialized agency, and in conformity with generally accepted government accounting principles. UNIDO follows the accounting standards as approved by the Consultative Committee on Administrative Questions on behalf of the Administrative Committee on Coordination at its eighty-third session and requested by General Assembly resolution 48/216, and the financial statements, of which these notes form an integral part, are presented in accordance with those standards, as shown below:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons.

(ii) Prudence, substance over form, and materiality should govern the selection and application of accounting policies.

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies which have been used.

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place.

(v) Financial statements should show corresponding figures for the preceding period. However, for the first financial period in which the revised formats as approved by the Administrative Committee on Coordination are applied, the presentation of corresponding figures for the preceding period is not obligatory.

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.

(b) The UNIDO financial statements are prepared on the historical cost basis of accounting and have not been adjusted to reflect the effects of changing prices for goods and services.

(c) Fund accounting. The UNIDO accounts are maintained on a "fund accounting" basis. Separate funds for general or special purposes may be established by the General Conference or the Director-General. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing double-entry group of accounts.

(d) The fiscal period of the Organization is a biennium and consists of two consecutive calendar years.

(e) The income, expenditure, assets and liabilities are recognized on the accrual basis of accounting except for trust funds where income is recorded upon receipt of the contribution only.

(f) Translation of currencies. The accounts of the Organization are presented in United States dollars. Transactions in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the United Nations. In respect of such currencies, the financial statements,

prepared at such intervals as may be prescribed, reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than United States dollars, translated at the United Nations rates of exchange in effect as at the date of the statements.

(g) Assessed contributions. In accordance with financial regulation 5.6, payments made by a Member State are credited first to the Working Capital Fund and then to the contributions due, in the order in which the Member State was assessed.

(h) Pledged contributions. Pledges are recorded as income on the basis of a written commitment by a prospective donor to pay a monetary contribution at a specified time or times. Pledges received for future years are recorded as deferred income. Advances received in payment of pledges for future years are classified as liabilities of the fund.

(i) Contributions in kind received or receivable and the value thereof are not accounted for.

(j) Funds on deposit in interest-bearing bank accounts, certificates of deposit, time deposits and call accounts are shown in the statements of assets and liabilities as cash.

(k) Deferred charges:

(i) Deferred charges comprise expenditure items that are not properly chargeable in the current fiscal period and that will be charged as expenditure in a subsequent fiscal period.

(ii) For balance-sheet statement purposes only, that portion of the education grant advance which is assumed to pertain to the scholastic year completed as at the date of the financial statement is shown under deferred charges. The full amount of the advance is maintained in the accounts receivable from staff members until such time as the staff member produces the required proof of entitlement to the education grant, at which time the budgetary account is charged and the advance recovered.

(l) Fixed assets. Furniture, equipment, other non-expendables and leasehold improvements are not included in the assets of the Organization. Acquisitions are charged against budgetary accounts in the year of purchase.

(m) Commitments approved for future fiscal periods that are necessary in the interests of UNIDO, in accordance with financial rule 109.6, are disclosed in the notes to the financial statements of the respective fund. Such commitments are normally restricted to administrative requirements of a continuing nature and to other contracts or legal obligations where long lead times are required for delivery.

(n) No provision is made in the General Fund for repatriation grant entitlements or to meet contingencies under appendix D to the Staff Rules of UNIDO as funds are provided for in the budget appropriations. However, provision is made to meet repatriation grant entitlements and contingency liabilities for compensation payments under appendix D for personnel financed by technical cooperation other than UNDP and general trust funds and are calculated on the basis of one per cent of net base pay.

(o) Surpluses due to Member States are funds available for credit to Member States arising from unobligated balances of appropriations, savings in the liquidation of obligations for prior periods and contributions from new Member States. In accordance with financial regulation 4.2 (b) as amended, the amount standing to the credit of Member States is reduced by the amount of contributions remaining unpaid. The balance of the surplus account is to be offset against future assessments in accordance with financial regulation 5.2 (d), unless the General Conference decides otherwise.

(p) Other income.

(i) The net income realized from revenue-producing activities is reported as other income.

(ii) Refunds of expenditures charged to prior fiscal periods are credited to miscellaneous income.

(iii) Moneys accepted in respect of which no purpose is specified have been treated as miscellaneous income.

(iv) Gain/loss on exchange arises from transactions in currencies other than United States dollars and revaluation of assets and liabilities held in local currencies. On the closing of the accounts at the end of each fiscal period, the balance of the exchange accounts is debited/credited to other income, which constitutes a formal departure from financial rule 110.7.

(v) Proceeds from the sale of surplus property are credited to the miscellaneous income of the respective funds.

(vi) Net income from sales of publications is reported as other income. Gross income and related costs are disclosed in the note to the General Fund.

(q) Technical cooperation accounts.

(i) The appropriations for technical cooperation programmes of the regular budget are administered in accordance with the Financial Regulations of UNIDO.

(ii) Allocation income - UNDP. The figures for allocation income from UNDP and UNDP trust funds are the same as reported for total expenditure in line with UNDP procedures, which require that allocations be adjusted to equal actual expenditure.

(iii) Contributions income - trust funds. Contributions from Governments or other donors are recorded upon receipt of the contribution.

(iv) Interest and miscellaneous income. Interest and miscellaneous income arising from the Regular Programme of Technical Cooperation are credited to the General Fund. Interest and miscellaneous income arising from UNDP activities are credited to the operating fund account maintained with that organization. Interest and miscellaneous income for technical cooperation trust funds and the Industrial Development Fund are credited to the fund concerned.

(v) The criteria for recording and reporting unliquidated obligations against the current biennium for the Regular Programme of Technical Cooperation are the same as those for the regular budget. For all other technical cooperation fund sources obligations may be reported as expenditure of the current year on the basis of the following criteria:

Personnel services

The cost of salaries and related expenses corresponding to services rendered within the calendar year. Personnel services, in this context, includes temporary assistance and overtime as well as consultants who have subscribed to Special Service Agreements. However, when the remuneration of the consultant is expressed as a lump sum rather than a sum per period worked, the full cost of the contract may be treated as an obligation of the current year.

Supplies and equipment

The full cost of contracts or purchase orders entered into prior to the end of the year, whether or not delivery has been effected, as long as there is budgetary provision in the current period.

Subcontracts

An obligation can be sustained on the basis of the payment schedule included in the signed contract with the contractor. Where no payment schedule exists, the basis is the estimated timing of payments.

Fellowships

The cost of the fellowship from the date of commencement of study to completion of study or 31 December, whichever is earlier. The fellow must have been placed, i.e. the fellowship awarded to a named individual and the place of study, the course of study and the duration of the study established and the recipient Government notified.

Travel

The full cost of travel, including the cost of transportation, subsistence allowances and other incidental expenses can be sustained if travel started prior to the end of the calendar year.

Group training

The cost of activities held in the current year. In the case of activities beginning in one year and continuing into the next, the full cost of the activity should be charged to the current year.

(vi) Unliquidated obligations for the current period in respect of all technical cooperation activities other than the regular budget remain valid for 12 months following the end of the year, rather than the biennium, to which they relate. However, in accordance with UNDP reporting requirements, executing agencies may retain unliquidated obligations beyond 12 months when a firm liability to pay still exists; such liabilities are reported as accounts payable in the financial statements. Savings in the liquidation of prior period obligations are credited to individual projects as a reduction of current period expenditure in accordance with UNDP reporting requirements. The UNDP requirements are also applied in the case of the Industrial Development Fund and trust funds.

(vii) Commitments are disclosed in the notes to the financial statements of the respective fund rather than being reported as a separate liability item as was previously the practice.

(viii) A system of average costing is used for UNDP projects whereby those elements of experts' actual costs which are unique to the individual expert are charged to UNDP projects at average cost, calculated by apportioning those costs over all UNDP projects in respect of which expert-months have been delivered in the current period.

(r) Trust funds. Director-General's bulletin UNIDO/DG/B.18/Rev.1 dated 15 May 1992 sets out revised policies for establishing and managing trust funds with effect from 26 May 1992. Extrabudgetary funds provided to reimburse the Organization for the use of its facilities are excluded from the provisions of UNIDO/DG/B.18/Rev.1.

(s) Special account for programme support costs:

(i) Reimbursement for programme support costs is provided for in respect of extrabudgetary technical cooperation activities. Reimbursement is calculated as a percentage of programme resources expended.

(ii) Under the UNDP successor arrangements for agency support costs, technical support on programme and project level are reimbursed at standard unit cost per work-month, whereas for administrative and operational services reimbursement is calculated at rates applicable to specific clusters of services.

(iii) In the financial statements of the Organization, the special account for programme support costs is shown separately from the inter-organization funds, from which its income derives.

(iv) Unliquidated obligations in respect of the special account for programme support costs are accounted for on the same basis as for the regular budget.

(t) *Ex gratia* payments made in accordance with financial rule 109.13 are reported in the notes to the financial statements of the respective fund pursuant to financial regulation 9.3.

Note 2. General Fund and Working Capital Fund

(a) **Assessed contributions**

(i) The General Conference approved an amount of $196,310,300 for the regular budget for 1994-1995 on the basis of an exchange rate of US$ 1 = AS 12.90 (GC.5/Dec.18). This amount has been restated to $231,441,060 after applying the adjustment formula shown in resolution GC.4/Res.27 to take account of the average exchange rate actually experienced during the biennium 1994-1995 (US$ 1 = AS 10.72). The revised appropriations for 1994-1995 submitted to the General Conference (GC.6/10 refers) are shown in Statement IV of the financial statements.

(ii) Due to the fact that Austrian schilling contributions were converted to United States dollars at the exchange rate in effect at the time of receipt, and to the fact that Austrian schilling contributions unpaid at 31 December 1995, were revalued at the rate in effect at that date (US$ 1 = AS 10.00), the value of the assessment increased by $4,352,733 to $235,793,793.

(b) **Revenue-producing activities**

Gross revenue from the sale of UNIDO publications in the amount of $261,311 was reduced to $133,870 by costs for sales promotion activities and other expense

(c) **Currency exchange adjustments**

As a result of fluctuations in the exchange rate between the Austrian schilling and the United States dollar, a net gain of $2,507,862 was realized on funds held in Austrian schillings.

(d) **Prior biennium adjustments**

Prior biennium adjustments of $7,163,737 comprise transfer to separation indemnity reserve reduced by increase of value of Austrian schilling contributions, 1992-1993.

(i) **Transfer to separation indemnity reserve**

Pursuant to financial regulation 4.2(c), the amount to be surrendered to Member States is the remaining balance of any regular budget appropriation after deducting therefrom any contributions from Members relating to the fiscal period of the appropriations which remain unpaid. This amount is due to Member States in proportion to their assessed contributions at the end of the second calendar year following the fiscal period to which the appropriations relate unless otherwise decided by the General Conference. Pursuant to decision GC.6/Dec.15 paragraph (e), the amount of $9,546,732 representing the balance of appropriations for the biennium 1992-1993 which has been paid in was transferred to a separation indemnity reserve. The reserve has effectively been reduced, by $791,164 to $8,755,568 by payments made in December 1995.

(ii) **Increase in the US$ value of AS contributions, 1992-1993**

Pursuant to decision IDB.7/Dec.7, arrears of assessed contributions in Austrian schillings for 1992-1993 were valued at the exchange rate of US$1 = AS 11.31, being the average exchange rate for the three-year period covering the biennium 1992-1993 and the 12-month period following that biennium and ending on 31 December 1994. The result of this revaluation was an increase of $2,382,995 in the dollar value of unpaid contributions for 1992-1993.

(e) **Savings on or cancellation of obligations from the prior biennium**

The following is an analysis, expressed in millions of United States dollars, of savings on liquidation of 1992-1993 obligations and of the status of appropriations for that biennium as at 31 December 1995:

Major Programme	Balance of appropriations as at 31 December 1993	Savings on liquidation of obligations in 1994	Balance of appropriations as at 31 December 1994
Policy-making Organs	0.7	-	0.7
Executive Direction and Management	0.6	-	0.6
Programme and Project Development	1.9	0.5	2.4
Industrial Promotion, Consultations and Technology	0.2	0.4	0.6
Industrial Operations	1.4	0.4	1.8
Common Programmes	1.2	0.5	1.7
External Relations, Public Information, Language and Documentation Services	4.8	0.5	5.3
Administration	7.3	1.6	8.9
Total A	18.1	3.9	22.0
	(Excess) shortfall over approved estimate	(Excess) shortfall accrued income	(Excess) shortfall over approved estimates
Income	7.0	0.3	7.3
Total B	7.0	0.3	7.3
Total A - B	11.1	3.6	14.7

(f) **Accounts receivable - other**

The following table is an aged analysis of other accounts receivable, expressed in millions of United States dollars as at 31 December 1995:

	Less than one year	More than one year	Total
Governments	2.0	-	2.0
Staff members	1.4	-	1.4
Specialized agencies	7.5	-	7.5
Income tax recoverable	0.3	0.9	1.2
Deferred charges	1.3	-	1.3
Other	0.5	-	0.5
Total accounts receivable - other	13.0	0.9	13.9

UNIDO has entered into incentive agreements with five airlines. The amounts due to the Organization under these agreements were still unknown at the time of preparation of the financial statements.

(g) **Contributions received in advance**

Fourteen Member States paid contributions in advance, of varying amounts, totalling $1.4 million.

(h) **Borrowings**

At the time UNIDO became a specialized agency an interest-free loan of $16,000,000 was received from the United Nations. The loan is repayable at the rate of $1,000,000 a year, commencing in 1990.

(i) **Unliquidated obligations**

In decision GC.6/Dec.15 the General Conference decided that a separation indemnity reserve of $17 million should be established to provide for the cost of separation of staff. Cash resources of $9,546,732, which were available in respect of the 1992-1993 surplus, were insufficient to fund the reserve. Obligations totalling $7,454,000 have been raised against 1994-1995 appropriations to bring the reserve to the level etablished by the General Conference and are included in unliquidated obligations of $20,278,456.

(j) **Accounts payable - other**

The following table is an analysis of the accounts payable, expressed in millions of United States dollars, as at 31 December 1995:

Staff members	1.2
Vendors	1.5
Specialized agencies	0.6
Repatriation grants	0.1
Other	0.6
Total accounts payable - other	4.0

(k) **Other funds and special accounts**

United States income tax reimbursed to UNIDO staff members financed from the regular budget in the amount of $1,198,055 has been claimed from the Government of the United States of America. As negotiations with that Government have not yet been concluded, an obligation of $950,490, which was established against 1992-1993 appropriations in respect of taxes reimbursed to staff members during the period 1986-1991 (PBC.10/8, annex I, note 3), has been retained.

(l) **Working Capital Fund**

(i) Financial regulation 5.4 provides for the establishment of a Working Capital Fund from which the Director-General may make advances to finance budgetary appropriations pending the receipt of contributions. As at 31 December 1995 a total of $6,323,400 had been advanced to the General Fund for this purpose.

(ii) The amount of the Fund was set by the General Conference at $9 million (GC.2/Dec.27). The excess of the balance of the Fund over its authorized level in the amount of $28,800 represent contributions received in 1994-1995 from new Member States, which will be applied against future assessments.

(m) **Surplus due to Member States**

(i) The following is an analysis, expressed in millions of United States dollars, of the net excess of income over expenditure for the biennium 1994-1995:

Receipts from Member States	161.9
Other income	41.1
Subtotal	203.0
Disbursements	222.0
Excess (shortfall) of receipts over disbursements	(19.0)
Unliquidated obligations	23.5
Provisional surplus (deficit)	(42.5)
Contributions due from Member States	73.9
Provisional excess of income over expenditure	31.4

(ii) The following is an analysis of the surpluses due to Member States, expressed in millions of United States dollars:

	Arrears of contributions receivable	Provisional surplus (deficit)	Available for future assessments	Due to Member States	Remarks
1994-1995	73.9	(42.5)	-	31.4	
1992-1993	5.2	-	-	5.2	
1990-1991	1.4	7.3	-	8.7	Retained - GC.5/Dec.14
1988-1989	0.2	6.3	-	6.5	Retained - GC.5/Dec.15
Subtotal	80.7	(28.9)	-	51.8	
Contributions from new Member States	0.8	-	0.2	1.0	
Total	81.5	(28.9)	0.2	52.8	

(n) **Commitments**

Commitments of $3.2 million for facilities management entered into prior to 31 December 1995 represent legal obligations for which disbursements will be made in the biennium 1996-1997 or in future bienniums. Obligations in currencies other than US dollars have been converted to US dollars at the official United Nations rate of exchange in effect in December 1995.

Long-term contracts awarded for the operation of the VIC are no longer reported as commitments as they may be terminated at any time without penalty.

(o) **Non-expendable equipment**

The following table shows the non-expendable equipment, at cost, expressed in millions of United States dollars, according to the cumulative inventory records of UNIDO as at 31 December 1995. In accordance with UNIDO accounting policies, non-expendable equipment is not included in the fixed assets of the Organization but is charged against the appropriations when acquired. The minimum dollar value per item of non-expendable property is $1,500.

Balance as at 1 January 1994		19.1
Deduct:	Adjustment to balance brought forward	6.1
Adjusted balance as at 1 January 1994		13.0
Add:	Acquisitions during 1994-1995	4.3
Deduct:	Disposals during 1994-1995	0.5
Deduct:	Transfer of non-expendable equipment to UNOV	1.4
Balance as at 31 December 1995		15.4

(p) **Contingent liability for end-of-service payment to staff**

In accordance with the decision taken by the Panel of External Auditors in 1989 at Manila, UNIDO calculated the amounts required to cover the estimated costs of contingency liabilities for end-of-service payment as at 31 December 1995. After implementation of the staff reduction in accordance with the contingency plans presented to the General Conference and based on the experience gained, the amounts would be: regular budget - $81 million; operational budget - $19 million. It should be noted that no budgetary provision has been made, except that in the case of the operational budget as reflected in Statement II and note 3(d) - operating reserve there was a contingency reserve of $5.5 million which, after having been reduced during the biennium 1992-1993 to $1.9 million, was increased during 1994-1995 to $3.5 million.

(q) **Contingent liability to the United Nations Joint Staff Pension Fund**

Pursuant to Article 26(a) of the Regulations and Rules of the United Nations Joint Staff Pension Fund, member organizations are obliged to pay in the sum necessary to make good the deficiency in the event that the actuarial valuation of the Fund shows that its assets may not be sufficient to meet its liabilities under these regulations. The United Nations Joint Staff Pension Fund Secretariat is to determine the potential liability of each member organization. No communication had been received at the time of preparation of the financial statements.

(r) **Common Fund for Major Repairs and Replacements**

On 1 January 1981 an agreement between the Republic of Austria, the United Nations, and IAEA went into effect to establish a common fund for the purpose of financing the cost of major repairs and replacements of buildings, facilities and technical installations which are the property of the Republic of Austria and form part of the headquarters areas of the United Nations and IAEA at the Vienna International Centre. This agreement has also applied to UNIDO since 1986 when it became a specialized agency. The Fund is administered by the Director of General Services of UNIDO through a joint committee. Annual financial statements are prepared by UNIDO and audited by UNIDO Internal Audit. The liability of each party under the agreement is limited to $150,000 per year, i.e. $25,000 as an annual contribution and up to $125,000 as reimbursement of approved expenditures incurred in the previous year, except for the Republic of Austria, which is liable to pay the balance exceeding the combined limit of $375,000 established for the three United Nations organizations.

The Fund balance as at 31 December 1995 is $2,135,938 (1994: $1,957,506).

Note 3. Other headquarters funds

(a) Funds reported under this heading comprise the special account for programme support costs and the Computer Model for Feasibility Analysis and Reporting (COMFAR).

(b) **Net excess of income over expenditure**

The following is an analysis, expressed in United States dollars, of income and expenditure during the biennium 1994-1995 for the funds reported under this heading.

	Special account for programme support costs	Computer model for feasibility analysis and reporting	Total
Income	26,639,864	895,690	27,535,554
Expenditure	24,955,000	845,588	25,800,588
Net excess of income over expenditure	1,684,864	50,102	1,734,966

(c) **Reserves and fund balances, beginning of biennium**

The introduction of the format of the financial statements required by the revised standards referred to in note 1(a) necessitated the following one-time adjustment to the fund balances as shown in Statement VI and Annex IV of the financial statements for the biennium 1992-1993, to incorporate reserves:

	Special account for programme support costs	Computer model for feasibility analysis and reporting	Total
Balance available, 31 December 1993	(3,647,238)	323,458	(3,323,780)
add Operating reserve	5,504,190		5,504,190
Reserves and fund balances, 1 January 1994	1,856,952	323,458	2,180,410

(d) **Operating reserve**

An operating reserve was established in respect of the special account for programme support costs in accordance with PBC conclusion 1989/4 at $5,504,190. The reserve was effectively reduced to $1,856,952 during the biennium 1992-1993, but was increased during 1994-1995 by the amount of the excess of income over expenditure, $1,684,864, to $3,541,816.

(e) Commitments of $47,734 entered into prior to 31 December 1995 represent legal obligations for which disbursements will be made in the biennium 1996-1997 or in future bienniums.

Note 4. Technical cooperation

(a) Technical cooperation activities reported under this heading comprise activities executed by UNIDO with funds provided through the Industrial Development Fund, trust funds and inter-organization agreements with UNDP and other organizations.

(b) **Transfers to reserves**

This represents the charge to projects in respect of the provision for compensation payments referred to in note 1(n).

(c) **Reserves and fund balances, beginning of biennium**

The introduction of the format of the financial statements required by the revised standards referred to in note 1(a) necessitated the following one-time adjustment to the fund balances as shown in Statement VII of the financial statements for the biennium 1992-1993, to incorporate reserves:

	Industrial Development Fund	Trust funds	Total
Balance available, 31 December 1993	30,946,324	59,090,496	90,036,820
add Reserves	612,317	808,554	1,420,871
Operating reserve	550,000		550,000
Reserves and fund balances, 1 January 1994	32,108,641	59,899,050	92,007,691

(d) Of the cash balance, $156,340,318, the equivalent of $1,401,874 is held in currencies classified as non-convertible, as follows:

Industrial Development Fund	1,279,486
Trust funds	122,388
Total non-convertible currencies	1,401,874

(e) **Accounts receivable - other**

Following the recommendations of the External Auditor, advances for seminars and study tours previously reported under cash are now classified as accounts receivable.

The following table is an aged analysis of other accounts receivable, expressed in millions of United States dollars, as at 31 December 1995:

	Less than one year	More than one year	Total
Staff members	0.5	-	0.5
Specialized agencies	0.3	0.1	0.4
Other	2.8	-	2.8
Total accounts receivable	3.6	0.1	3.7

(f) **Other assets**

The table below provides an analysis of the amount shown as other assets, expressed in millions of United States dollars, as at 31 December 1995:

IOV charges pending clearance	5.0
Other	0.4
Total other assets	5.4

(g) Advances of $26,052,654 were received in respect of pledges for future years amounting to $60,621,547. Total contributions received from donors since the inception of the Industrial Development Fund (including balances brought forward from UNIDF) exceed total firm pledges by $1,966,796.

(h) **Accounts payable - other**

The following table is an analysis of other accounts payable, expressed in millions of United States dollars as at 31 December 1995:

Staff members	0.1
Specialized agencies	1.5
Repatriation grants	1.3
Prior years' obligations	5.4
Other	2.2
Total accounts payable	10.5

(i) **Operating reserves**

The Industrial Development Board, in decision IDB.2/Dec.7, authorized the freezing of the operational reserve of the Industrial Development Fund at $550,000.

(j) Commitments, representing legal obligations for which disbursements will be made in the biennium 1996-1997 or in future bienniums, were entered into prior to 31 December 1995, as follows (expressed in millions of United States dollars):

Industrial Development Fund	14.7
Trust funds	2.1
Inter-organization arrangements	2.5
	19.3

(k) *Ex gratia* payments in the amount of $15,481 in respect of the Industrial Development Fund and $67,644 in respect of trust funds were approved by the Director-General and charged to the respective projects in agreement with donors.

(l) Pursuant to the Memorandum of Understanding between UNIDO and UNDP dated April 1989 concerning the integration of the UNIDO field service within the UNDP field office, UNDP provided resources in the amount of $6,789,166 in support of the UNIDO Country Director programme in 1994-1995. The table below provides details of the amounts received and disbursed since the entry into force of the Memorandum of Understanding:

	US dollars
1990	4,124,143
1991	3,036,812
Total biennium 1990-1991	7,160,955
1992	5,687,074
1993	4,527,253
Total biennium 1992-1993	10,214,327
1994	3,463,497
1995	3,325,669
Total biennium 1994-1995	6,789,166

Note 5. Self-liquidating commercial activities (annex I)

(a) VIC Catering Services

Contingency liabilities for termination benefits and indemnities amount to $445,241. Non-expendable equipment used by the VIC Catering Services has been purchased by UNIDO. According to cumulative inventory records its value amounts to $2,394,609. In accordance with agreements regarding the operation of the VIC, 68.4 per cent of the total value was recovered from other agencies when acquired.

(b) **VIC garage operation**

The responsibility for the administration of the VIC garage was transferred from UNIDO to UNOV on 1 January 1994. At the time of the transfer, UNIDO handed over all assets and liabilities and the balance available as at 31 December 1993 as well as the equipment purchased from garage funds.

Note 6. EDP Services Revolving Fund (annex II)

The Fund was closed on 31 December 1994 as no further expenditures are anticipated. The Fund balance available as of that date is transferred to regular budget income.

Annex i

SELF-LIQUIDATING COMMERCIAL ACTIVITIES
(In United States dollars)

I. VIC Catering Services

Statement of income and expenditure for the biennium 1994 - 1995

Income	
Gross sales	11,662,624
Less: Cost of goods sold	4,433,028
Net income from sales	7,229,596
Other income	657,730
Total income	7,887,326
Expenditure	
Personnel services	6,618,326
Other	725,727
Total expenditure	7,344,053
Excess (shortfall) of income over expenditure	543,273

Statement of assets and liabilities as at 31 December 1995

Assets	
Cash	1,101,868
Accounts receivable	253,637
Interest receivable	719
Inventory	90,510
Due from UNIDO General Fund	118,029
Total assets	1,564,763
Liabilities	
Accounts payable	201,036
Total liabilities	201,036
Fund balance	
Balance available 1 January 1994	820,454
Add: Excess (shortfall) of income over expenditure	543,273
Balance available 31 December 1995	1,363,727
Total liabilities and Fund balance	1,564,763

II. VIC Garage Operation

Fund balance	
Balance available 1 January 1994	108,344
Deduct: Transfer to UNOV (note 5(b))	108,344
Balance available 31 December 1995	
Total Fund balance	

Annex ii

EDP SERVICES REVOLVING FUND
(In United States dollars)

I. Statement of income and expenditure for the biennium 1994-1995

Income	
Expenditure	
Salaries and other personnel costs	957
Total expenditure	957
Excess (shortfall) of income over expenditure	(957)

II. Statement of assets and liabilities as at 31 December 1995

Assets	
Due from UNIDO General Fund	
Total assets	
Fund balance	
Balance available 1 January 1994	4,569
Add: Net excess (shortfall) of income over expenditure	(957)
Deduct: Transfer to General Fund - miscellaneous income	3,612
Balance available 31 December 1995	
Total liabilities and Fund balance	

Annex iii

TECHNICAL COOPERATION ACTIVITIES EXECUTED BY UNIDO

Table 1 Combined statement of income and expenditure and changes in reserves and fund balances for the biennium 1994-1995
(In thousands of United States dollars)

	Regular Programme	Industrial Development Fund	Trust funds	Inter-organization arrangements	Total 1994-1995
INCOME					
Assessed contributions					
Voluntary contributions		79,869.0	31,398.0		111,267.0
Other income					
Funds received under inter-organization arrangements				964.3	964.3
Allocations from other funds	12,548.7			69,812.0	82,360.7
Interest income		5,657.5	7,871.0		13,528.5
Currency exchange adjustments		2,363.1	1,829.4		4,192.5
Miscellaneous		(113.5)	(81.4)		(194.9)
TOTAL INCOME	12,548.7	87,776.1 (a)	41,017.0 (b)	70,776.3	212,118.1
EXPENDITURE					
Salaries and common staff costs	7,226.9	30,176.9	37,563.3	30,701.0	105,668.1
Contractual services	987.6	21,410.6	5,196.6	7,098.8	34,693.6
Operational expenses	832.3	4,148.9	3,100.5	2,805.9	10,887.6
Acquisitions	1,008.4	9,246.2	11,666.3	13,163.8	35,084.7
Fellowships	2,493.5	5,792.8	2,988.1	7,112.2	18,386.6
Programme support costs		8,651.7	5,706.8	9,757.9	24,116.4
TOTAL EXPENDITURE	12,548.7	79,427.1 (a)	66,221.6 (b)	70,639.6 (c)	228,837.0
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		8,349.0	(25,204.6)	136.7	(16,718.9)
Prior biennium adjustments					
Provision for delays in collection of contributions					
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		8,349.0	(25,204.6)	136.7	(16,718.9)
Savings on or cancellation of prior biennium's obligations					
Transfers to reserves		148.0	34.0		182.0
Transfers from reserves					
Transfers to/from other funds					
Credits to member states					
Other adjustments to reserves and fund balances					
Reserves and fund balances, beginning of biennium		32,108.6	59,899.1		92,007.7
RESERVES AND FUND BALANCES, END OF BIENNIUM		40,605.6	34,728.5	136.7	75,470.8

References -
(a) - Annex III, Table 3
(b) - Annex III, Table 4
(c) - Annex III, Table 5

Table 2 Combined Statement of assets, liabilities, and reserves and fund balances as at 31 December, 1995
(In thousands of United States dollars)

	Regular Programme	Industrial Development Fund		Trust funds		Inter-organization arrangements	Total 1994-1995
ASSETS							
Cash and term deposits		113,177.4		42,859.1		303.9	156,340.4
Investments							
Accounts receivable							
Assessed contributions receivable from Member States							
Voluntary contributions receivable		24,085.8					24,085.8
Other contributuions receivable						7,060.1	7,060.1
Less provision for delay in collection of contributions							
Interfund balances		489.6				1728.1	2,217.7
Other		1,795.6		538.4		1,436.0	3,770.0
Other assets				134.9		5,297.7	5,432.6
TOTAL ASSETS		139,548.4		43,532.4		15,825.8	198,906.6
LIABILITIES							
Payments or contributions received in advance		26,052.7					26,052.7
Unliquidated obligations		10,171.4		5,935.7		9,520.5	25,627.6
Accounts payable							
Interfund balances				654.5			654.5
Other		2,097.2		2,213.7		6,168.6	10,479.5
Other funds and special accounts							
Other liabilities		60,621.5					60,621.5
TOTAL LIABILITIES		98,942.8		8,803.9		15,689.1	123,435.8
RESERVES AND FUND BALANCES							
Operating reserves		550.0					550.0
Other reserves		760.3		842.6			1,602.9
Balances relating to projects funded by donors							
Working capital funds							
Surplus (deficit)		39,295.3	(a)	33,885.9	(b)	136.7	73,317.9
TOTAL RESERVES AND FUND BALANCES		40,605.6		34,728.5		136.7	75,470.8
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		139,548.4		43,532.4		15,825.8	198,906.6

References -

(a) - Annex III, Table 3
(b) - Annex III, Table 4

Table 3 Summary of transactions on sub-accounts of the Industrial Development Fund for the biennium 1994-1995 as at 31 December 1995 (In United States dollars)

	Fund balance as at 01/01/1994	Increase in firm pledges 1994-1995	Interest accrued 1994-1995	Other income 1994-1995	Expenditure 1994-1995	Fund balance as at 31/12/1995
General-purpose convertible	2,657,290	1,733,614	221,903	34,282	2,224,348	2,422,741
Agence de Cooperation Culturelll et Technique	28,524	130,476	5,937	(257)	138,301	26,379
Agence Wallonne a l'Exportation	0	261,768	6,243	(273)	231,834	35,904
Arab Industrial Development and Mining Organization	60,808	0	4,159	(40)	59,962	4,945
Australia	45,769	120,400	4,695	(7)	113,064	57,793
Austria	24,860	4,492,428	441,526	473,364	3,847,797	1,584,381
Bahrain	0	64,848	3,484	0	0	68,332
Belgium	1,300,014	1,096,736	245,783	455,401	920,630	2,177,304
Brazil	21,425	0	5,411	(205)	0	26,631
Caritas	5,113	(991)	(5,187)	0	(1,065)	0
China	701,516	693,860	147,102	(1,152)	824,238	717,088
Corporacion Andina de Fomento	240,165	(129,827)	(78,181)	1,525	(5,350)	39,032
Côte d'Ivoire	(442)	0	0	0	0	(442)
Costa Rica	(637)	141,229	0	(146)	132,858	7,588
Czech Republic	3,785	0	8,845	0	0	12,630
Democratic People's Republic of Korea	68,701	183,670	26,663	(333)	80,128	200,573
Denmark	294,535	2,778,796	40,191	(3,896)	2,453,562	656,064
Finland	1,827,894	256,581	(1,261,156)	(2,319)	661,347	159,653
France (Ministere des Affaires Etrangeres)	3,105,154	4,559,518	148,338	837,615	4,639,051	4,011,574
France (Ministere d'Agriculture)	1,152,805	737,395	223,628	284,385	729,230	1,668,983
Gaz de France	2,599	0	(2,599)	0	0	0
Germany (a)	3,699,020	9,491,512	67,343	247,915	8,631,177	4,874,613
Greece	39,059	556,027	7,824	(1,223)	503,217	98,470
Inverni della Beffa	9,119	(7,049)	930	(21)	0	2,979
India	711,952	2,132,765	122,617	(19,583)	1,521,154	1,426,597
Instituto Tecnologico y de Estudi Superiores de Monterrey	0	50,000	2,193	(57)	47,197	4,939
Intergovernmental Negotiating Committee for a Convention to Combat Desertification	39,000	0	340	(5)	39,094	241
Iran (Islamic Republic of)	29,408	0	2,876	(266)	0	32,018
Italy	9,224,114	5,243,298	689,833	100,462	7,317,417	7,940,290
Japan	1,860,144	7,592,072	409,020	184,221	7,629,108	2,416,349
Montreal Protocol	855,124	23,235,298	3,084,139	(35,960)	21,369,531	5,769,070
Netherlands	750,916	3,210,695	338,424	(2,983)	1,637,088	2,659,964
New Zealand	0	84,999	3,298	(72)	30,042	58,183
Norway	672,111	228,964	84,786	(1,836)	547,966	436,059
Portugal	460,759	0	26,989	20,778	0	508,526
Poland	60,829	141,371	1,347	(6,976)	224,239	(27,668)
Republic of Korea	148,022	136,445	29,492	(903)	230,484	82,572
Saudi Arabia	301,003	656,729	194,055	(1,492)	572,383	577,912
SG des Eaux Minerals de Vittel	11,595	(6,539)	1,520	0	0	6,576
Slovakia	420	0	1,070	0	0	1,490
Spain	2,078	0	(1,873)	0	0	205
Sweden	211,367	(35,770)	0	(491)	3,681	171,425
Switzerland	1,008,656	5,610,406	308,058	123,708	5,007,578	2,043,250
Turkey	5,558	265,974	13,825	(11)	180,120	105,226
UNDCP	580,520	3,571,118	0	9,302	4,199,808	(38,868)
Undetermined	1,435,629	(1,314,697)	0	(22)	27,078	93,832
United Kingdom	243,066	(32,967)	22,875	(2,757)	0	230,217
Venezuela	24,270	15,469	654	(170)	15,469	24,754
Total special-purpose convertible	31,266,327	76,213,007	5,378,517	2,655,220	74,559,438	40,953,633
Bulgaria	(251,641)	(3,099)	2,455	(8,286)	0	(260,571)
China	(154,670)	20,602	0	(26,683)	24,531	(185,282)
Cuba	49,594	(38,749)	0	(71,256)	(28,000)	(32,411)
Czech Republic	(15,500)	723,379	7,896	6,983	724,140	(1,382)
Egypt	(61,351)	0	0	0	0	(61,351)
Hungary	(54,422)	219,683	17,199	(85,316)	234,358	(137,214)
India	(594,782)	814,444	0	(112,703)	1,176,992	(1,070,033)
Iran (Islamic Republic of)	(6,469)	0	0	(1,529)	0	(7,998)
Mongolia	(15,773)	0	0	(24)	0	(15,797)
Pakistan	(55,552)	0	0	(2,569)	0	(58,121)
Poland	(41,031)	183,516	0	(5,292)	399,103	(261,910)
Romania	(53,086)	(60,447)	150	(448)	(60,447)	(53,384)
Russian Federation	(936,837)	(32,822)	0	(207)	0	(971,866)
Slovakia	(3,488)	0	4,853	9,887	0	11,252
Technology Information, Forecasting and Assessment Council	0	3,205	0	0	3,205	0
Turkey	(293,018)	92,663	24,504	(142,447)	169,393	(487,691)
Yugoslavia (b)	(487,267)	0	0	0	0	(487,267)
Total non-convertible	(2,977,293)	1,922,375	57,057	(439,890)	2,643,275	(4,081,026)
Grand total	30,946,324	79,868,996	5,657,477	2,249,612	79,427,061	39,295,346

(a) Includes balances from former German Democratic Republic
(b) Concerning Yugoslavia, see resolution GC/5 1/Res 1 adopted by the General Conference at its first special session

Table 4. Summary of technical cooperation activities financed by trust funds for the biennium 1994 - 1995
(In United States dollars)

	Fund balance 01/01/94	Contributions received, interest and miscellaneous income 1994-1995	Expenditures 1994-1995	Fund balance 31/12/95
Projects financed by recipient Governments				
Argentina	1,937,440	1,845,788	3,014,419	768,809
Bolivia		70,603	61,704	8,899
Botswana	6,448	(6,448)		
Belarus	60,699	3,035	45,160	18,574
Brazil		98,330	67,695	30,635
Chile		59,837	59,480	357
China	55,250	50,313	96,608	8,955
Comoros	245	(245)		
Ecuador	17,432	(17,443)	(11)	
Egypt	685,081	3,667,820	3,690,121	662,780
Iran, Islamic Republic of	135,666	8,300	97,973	45,993
Iraq	1,317,528	(787,326)	264	529,938
Libyan Arab Jamahiriya	2,397,335	7,533,136	8,039,415	1,891,056
Madagascar	19,707	1,117,747	947,484	189,970
Oman	96,004	662,916	618,990	139,930
Russian Federation	46,225	304,551	285,778	64,998
Thailand		15,256		15,256
Turkey	56,765	4,873	18,989	42,649
United States of America	117,884	1,054,411	1,014,423	157,872
Subtotal	6,949,709	15,685,454	18,058,492	4,576,671
Associate Experts				
Austria	48,784	6,058	(5,572)	60,414
Belgium	649,987	139,326	80,084	709,229
Denmark	365,584	455,016	311,876	508,724
Finland	174,300	(152,602)	21,698	
France	121,834	14,133	(2,933)	138,900
Germany	236,797	363,007	478,658	121,146
Italy	2,726,731	(277,198)	1,747,241	702,292
Japan	469,009	195,688	182,334	482,363
Netherlands	807,596	1,227,945	1,766,713	268,828
Norway	84,074	106,329	109,042	81,361
Russian Federation		79,765	13,379	66,386
Spain	13,280	(15,052)	(1,772)	
Sweden	88,054	(82,741)	5,313	
Subtotal	5,786,030	2,059,674	4,706,061	3,139,643
Junior Professional Officers				
Austria	12,689	41,936	38,854	15,771
Belgium	114,348	27,775	32,156	109,967
Denmark	149,376	87,021	48,584	187,813
Finland	67,121	7,165	4,717	69,569
France	10,047	4,124	3,673	10,498
Germany	360,395	76,208	55,365	381,238
Italy	15,163	31,875	8,516	38,522
Japan	37,241	4,253	(146)	41,640
Netherlands	184,442	91,277	65,578	210,141
Norway	43,736	18,778	15,375	47,139
Sweden	25,573	15,741	8,878	32,436
Switzerland	16,827	10,015	9,235	17,607
Subtotal	1,036,958	416,168	290,785	1,162,341

	Fund balance 01/01/94	Contributions received, interest and miscellaneous income 1994-1995	Expenditures 1994-1995	Fund balance 31/12/95
Projects financed by donor Governments				
Australia		312,820	127,115	185,705
Austria	5,843	(4,395)		1,448
Belgium		351,386		351,386
Canada	11,648	1,325		12,973
Denmark	365,403	36,408	112,157	289,654
Finland	(604)	604		
France	571,403	130,086	454,754	246,735
India	886,907	1,644,738	1,953,268	578,377
Italy	23,328,619	1,299,568	16,576,982	8,051,205
Japan	5,487,844	5,104,643	3,359,809	7,232,678
Netherlands	84	(84)		
Norway	15,275	2,528	392	17,411
Republic of Korea	318,112	(44,832)	141,790	131,490
Sweden		325,289	244,433	80,856
United Kingdom	874,583	2,258,410	1,049,949	2,083,044
Subtotal	31,865,117	11,418,494	24,020,649	19,262,962
Other trust funds				
ABV Leasing und Hotel GsmbH		62,089	61,571	518
ALCOA Inter America Inc		413,286	400,486	12,800
Arthur Andersen & Co	4,981	387	2,014	3,354
Asociación de Exportadores	4,014	(3,484)	530	
Associate Mining Industries, Nigeria	10,468	1,882	(7,790)	20,140
AWT Handels GesmbH	13,804	(17,790)	(3,986)	
Banco de Sabadell	206,125	138,715	278,858	65,982
Beni Suef Cement Company	245,244	3,147,015	2,933,622	458,637
Benue Cement Company	198,580	118,303	186,207	130,676
Bumar Labedy	694	164	(753)	1,611
Cement Company of Northern Nigeria	439,926	127,785	388,754	178,957
Centro de Investigacion y asistencia tecnica	42,301	40,924	84,680	(1,455)
Centro de investigaciones Textiles	18,626	45,716	43,017	21,325
Ceylon Steel Corporation	1,286	358		1,644
Chiyoda Corporation	305,046	307,939	525,146	87,839
Ciments du Gabon	13,840	(13,840)		
Citoh and Co. Ltd	17,016	(17,016)		
Commission of the European Communities	1,738	(1,738)		
Compagnie Financière et Industrielle	16,940	(16,940)		
Convetro	2,361	(2,361)		
Cooperation Council for the Arab States of the Gulf (GCC)	7,431	846		8,277
CSR Ltd. Corp. Development	4,605	(4,605)		
Engineering Consulting Firms Association	64,874	7,464	32,398	39,940
EPSTEIN Engineering Export Ltd	3,912	(1,057)	2,283	572
Ernst and Young	4,374	120	4,413	81
European Union		121,757	62,273	59,484
Fed. Chemical & Ceramics Corp	5,915	5,449	12,552	(1,188)
Food and Agriculture Organization of the United Nations		6,160	5,965	195
Gabon Consultants et Associes	374	(374)		
Goldstar Co. Ltd	222,478	(166,160)	56,318	
Helwan Portland Cement Co	62,652	236,017	298,669	
ICN Pharmaceutical Inc	8,672	(29,229)	(14,896)	(5,661)
IFAD	416,401	24,690	352,921	88,170
Industrial Research and Consultancy Centre	329			329
Industrirade	46,167	69,897	141,420	(25,356)
Inversionec Cofide S. A.		50,469	10,378	40,091
Iran Itok Engineering	3,653	783	(3,110)	7,546
Islamic Development Bank	20,892	2,081	9,201	13,772
Japan International Development Organization	993,215	(502,421)	36,503	454,291
Korea Pyengwang Ind. Corp	147,885	28,377	176,262	
Korea Research Institute of Standards and Science		100,549		100,549
Kwang Hua Development and Investment Ltd		1,036,788	591,460	445,328
Mitsui Co. Ltd	394	206,616	200,241	6,769
National Financeria		32,131	33,315	(1,184)
National Industrialisation Co.	22,140	(19,401)	2,739	
Neumann H. International CEE		53,275	50,831	2,444
New Nigeria Development Co	41,593	4,732		46,325
Nigerian Industrial Development Bank	57,455	6,535		63,990

	Fund balance 01/01/94	Contributions received, interest and miscellaneous income 1994-1995	Expenditures 1994-1995	Fund balance 31/12/95
Nigerian National Petroleum Corporation	1,376,714	162,842	527,741	1,011,815
Norad		637,144	253,146	383,998
Petroliam Nasional Berhard	19,924	2,890	3,701	19,113
Pharmadule	4,390	(4,390)		
PREMAG Handels GesmbH		105,607	105,607	
Research Area of Trieste	4,479,027	582,089	4,979,914	81,202
Rockefeller Foundation	56,055	(17,925)	22,289	15,841
Servicio Nacional de Aprendizagem Industrial	265,082	1,302,273	1,273,662	293,693
Sezione Speciale per l'Assicurazione de Credito	23,197	2,639		25,836
Shahid Modarres Ind Pharmac	34,508	3,917	234	38,191
Sibir Inc.	97,969	23,116	121,085	
Société Nationale d' Investissement du Cameroun	34,871	1,694	25,648	10,917
Swedish International Enterprise Development Association		82,093	1,782	80,311
The Ford Foundation	1,715	599	1,171	1,143
The Yemen Corporation for Cement Industries	9,750	1,385		11,135
Ukrainisch-österreichisches Forum		144,464	96,485	47,979
United Nations		28,712	28,359	353
United Nations Environment Programme	(88)	(3)		(91)
United Nations Fund for Special Industrial Services	154,034	17,523		171,557
Wockhardt Ltd	39,458	(514)	(49,963)	88,907
World Bank	2,829,922	1,947,577	3,986,416	791,083
Subtotal	13,104,929	10,626,615	18,331,769	5,399,775
Multi-donor trust funds	347,753	810,578	813,798	344,533
Subtotal	347,753	810,578	813,798	344,533
TOTAL	59,090,496	41,016,983	66,221,554	33,885,925

Table 5. Summary of technical cooperation activities for the biennium 1994 - 1995 financed under inter-organization agreements
(In United States dollars)

	Project expenditure	Programme support (Statement V)	Total expenditure
UNDP			
Old regime			
UNDP main programme	22,698,017	2,902,706	25,600,723
Projects for which UNIDO is the associated agency	269,551	35,042	304,593
Government-executed projects for which UNIDO is the cooperating agency	2,331,882	303,144	2,635,026
UNDP trust funds	927,938	58,816	986,754
New regime			
TSS-1	1,613,104	1,417,348	3,030,452
UNDP main programme	19,894,913	2,009,746	21,904,659
- TSS-2	209,972	673,610	883,582
Projects for which UNIDO is the associated agency	1,569,723	167,482	1,737,205
- TSS-2	2,528	73,150	75,678
Government-executed projects for which UNIDO is the implementing agency	10,027,850	967,337	10,995,187
- TSS-2	151,225	1,016,400	1,167,625
UNDP trust funds	452,370	38,159	490,529
UNEP	732,622	95,000	827,622
	60,881,695	9,757,940	70,639,635